

PLATSEARCH NL

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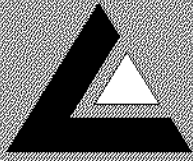
The Company Announcements Office
Australian Stock Exchange Limited

SHAREHOLDER HALF-YEARLY UPDATE

Attached is a report that is being mailed to shareholders later this week.

PlatSearch NL

Robert J Waring
Company Secretary



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SHAREHOLDER HALF-YEARLY UPDATE May 2004

Dear Shareholder

PlatSearch is pleased to provide you with an update on its progress since the 2003 Annual Report. A high level of exploration activity has been sustained on PlatSearch's projects adding value and prospectivity to many of its areas. Much of this work was preliminary geological, geophysical and geochemical surveys in preparation for planned deeper drilling. Drilling is scheduled for 2004 and early 2005 on the **Mulyungarie**, **Stephens-Centennial** and **Quinyambie** projects. During the last six months PlatSearch has launched a major **nickel exploration initiative** and now has a strong ground position on the Gawler Craton covering areas (Wynbring, Toolgerie, Yalata and Black Hill) considered to be prospective for Voiseys Bay style nickel sulphide deposits. The **Wynbring** area is the subject of a joint venture with Inco and joint venture discussions regarding the other nickel areas are progressing well. Substantial exploration work will take place on PlatSearch's areas during the next 12 months.

HIGHLIGHTS

- An agreement was signed with Inco in relation to PlatSearch's **Wynbring** project located on the western Gawler Craton. Inco will explore this area for sulphide nickel deposits commencing with an extensive airborne electromagnetic survey scheduled to commence in June 2004.
- An agreement was signed with Red Metal in relation to PlatSearch's **Callabonna** project located on the northern margin of the Curnamona Craton. Red Metal will conduct an extensive gravity survey during the June 2004 quarter to identify possible drilling targets for Olympic Dam style iron-oxide copper-gold deposits.
- An agreement was signed with Red Metal in relation to PlatSearch's **Quinyambie** project located on the northern margin of the Curnamona Craton. Red Metal will conduct an extensive gravity survey during the June 2004 quarter to identify possible drilling targets for Olympic Dam style iron-oxide copper-gold deposits and will complete one basement depth drillhole within the first 12 months.
- Joint venturer Sipa Resources completed 10 Reverse Circulation (RC) drillholes at the **Stephens-Centennial** project. The results are regarded as very encouraging and included a best intersection of 6 metres of 9.5% Zn, 0.7% Pb and 14 g/t Ag from 51 metres downhole. Sipa plans to conduct RAB drilling during the June 2004 quarter to define further drill targets.
- Joint venturer Marathon Resources has completed detailed gravity surveys at **Coondambo** project in the Gawler Craton to identify further possible drilling targets for Olympic Dam style iron-oxide copper-gold deposits.
- PlatSearch has increased its tenement coverage over areas considered prospective for sulphide nickel deposits on the western Gawler Craton. Two new tenement applications, **Yalata** ELA 242/04 and **Black Hill** ELA 243/04, are adjacent to the existing **Toolgerie** ELA 093/02 providing total tenement coverage of 2,300 square kilometres. Negotiations with regarding a joint venture on the Toolgerie area are at an advanced stage.
- Negotiations regarding a number of other PlatSearch projects including **Hollis Tank**, **Coultra**, **Euriowie**, **Panama Hat**, **Redan** and **Trundle** are in progress at various stages of advancement and the Company is confident that these projects will be funded adequately and actively explored during 2004 and 2005.

PLATSEARCH EXPLORATION STRATEGY

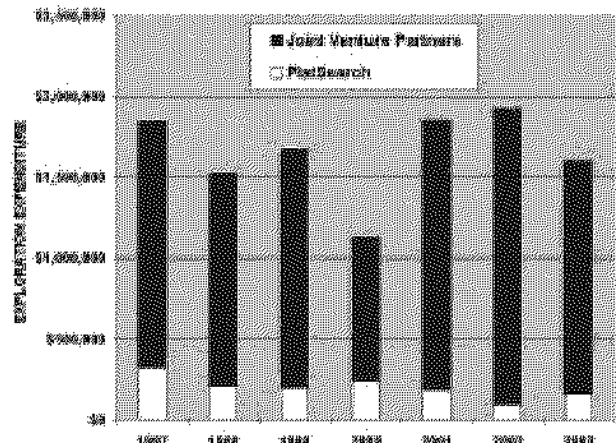
PlatSearch's primary targets are large, world-class deposits, principally base metals (copper, lead, zinc and nickel) and precious metals (gold and silver). The Company has continued to build a strong tenement holding with potential for this type of deposit. Attention is focussed currently on the Curnamona Province (including the Broken Hill Block), the Gawler Craton, the Mt Isa Block and the Lachlan Fold Belt.

Large mineral deposits commonly have signatures recognisable in regional geophysical data, specifically magnetic and gravity data. PlatSearch's selection of areas and prospects is often based on interpretation of the vast amount of geophysical and other exploration data increasingly available in Australia. The Company's in-house geophysical experience and computing expertise are a vital part of this process.

PlatSearch's activities are expertise intensive but relatively low cost. The higher cost activities, particularly drilling, are farmed out to larger companies. By this means PlatSearch's share capital remains tight. Following a discovery and successful development, PlatSearch would have a minority (10-30%) non-operating interest or a royalty interest in a mining project.

Exploration for world-class deposits is a high-risk, high-cost but potentially very high-reward endeavour. Mineral discoveries can only be made by drill testing quality targets. The more targets tested, the higher the probability of success.

This strategy requires persistence and is critically dependent on ongoing funding by larger joint venture partners. PlatSearch continues to attract such support for exploration on its areas. This is a reliable measure of the quality of our areas. The graph shows the level of joint venture funding which has averaged \$1,450,000 per annum on the Company's areas over the past seven years, compared with our own costs of \$200,000 per annum. Current joint venture partners are Inco (Wynbring), Sipa (Stephens-Centennial and Copper King), Southern Cross (Mulyungarie), and Red Metal (Callabonna and Quinyambie). From time to time joint venturers may withdraw from specific projects. However the high prospectivity of our areas determines that new partners are usually found. Areas that do not measure up or that do not ultimately attract further funding are relinquished.



PROJECTS UPDATE



THE CURNAMONA PROVINCE, NSW AND SA

In the Broken Hill district a number of important developments have positive implications for PlatSearch's areas.

Drill core logging and data compilation at the **Mundi Mundi, NSW and Mulyungarie, SA** projects was carried out in the March 2004 quarter. Although all intersections during 2003 were sub-oregrade, the results from the six holes illustrate that the targeted stratigraphic package is highly anomalous in lead, zinc and silver over an extensive strike length. A review of all geological, geochemical and geophysical data is progressing to identify parts of the sequence that may contain mineralisation of higher grade. PlatSearch is seeking a joint partner to fund ongoing work.

Southern Cross Resources has completed five drillholes at **Mulyungarie, SA** totalling 488 metres of drilling searching for palaeodrainage channels defined by earlier airborne electromagnetic surveys. Drilling is ongoing.

Negotiations with a potential farm-in joint venture partner on the **Hollis Tank, NSW** project are at an advanced stage. PlatSearch is seeking an agreement that will progress exploration for cobalt-gold and lead-zinc-silver deposits. Previous work by PlatSearch has focussed on the Great Goulburn prospect where drilling intersected encouraging cobalt and gold values. Previous drilling at this prospect has intersected sulphide/magnetite lodes containing anomalous cobalt and gold including 23.3 metres at 0.14% cobalt and 0.4 g/t gold. RAB drilling by PlatSearch has encountered anomalous base metals in several locations. Extensively shallow soil cover has inhibited previous exploration, however the area embraces many strike

kilometres of prospective stratigraphy and is amenable to exploration by geochemical and geophysical techniques.

Negotiations with potential farm-in joint venture parties at the **Euriowie, NSW** project are in progress. Interest in this tenement has been stimulated by the results of rock-chip sampling and interpretation conducted by PlatSearch in late 2003. Of 183 samples of numerous outcropping gossans and ironstones sampled by PlatSearch many reported high values of gold (up to 26 g/t), silver (up to 650 g/t), copper (up to 37.7%) and lead (up to 34.0%). The PlatSearch sampling confirmed results of rock-chip sampling over the same areas by the NSW Geological Survey (NSW GS), which also reported high values of gold (up to 39.8 g/t), silver (up to 500 g/t), copper (up to 31.6%) and lead (up to 2.34%).

PlatSearch has defined at least 21 prospect areas deserving further work to develop drilling targets (see accompanying map) and applied for a further tenement (EL 6188) to provide additional coverage of prospects in adjacent areas to the west and north. PlatSearch's total tenement coverage in the area is now 426 square kilometres.

PlatSearch now has a valuable package of tenements covering a total area of approximately 1,400 square kilometres that have **good potential for copper-gold mineralisation in the Broken Hill region**. These tenements are Euriowie (EL 5771 and EL 6188), Redan (EL 5795), Panama Hat (EL 6014), Coultra (EL 6041) and Mulyungarie (EL 2776). The Broken Hill region traditionally has been regarded as a lead-zinc-silver province and consequently the search for a repetition of the massive Broken Hill lead-zinc-silver deposit has dominated exploration in the region for the last 100 years. Systematic exploration for copper-gold, such as occurred with great success in the Mt Isa-Cloncurry region, has been minimal despite many encouraging indications.

A recent detailed study by the NSW Government "Copper-Gold Potential in the Broken Hill Block" has highlighted the potential and the lack of serious exploration for copper-gold and defined a number of high priority areas and prospects. Many of these areas and prospects occur on PlatSearch's tenements. PlatSearch is investigating ways of funding an aggressive and sustained exploration programme for copper-gold on this tenement package.

Joint venturer Sipa Resources completed 10 Reverse Circulation (RC) drillholes at the **Stephens-Centennial, NSW** project (Stephens Trig, Corrua South and Limestone prospects). The results are regarded as very encouraging in the context of past exploration in the district away from the famous Broken Hill 'Line of Lode'.

The Stephens Trig Prospect is about 15 kilometres north of the Broken Hill 'Line of Lode'. Sipa's drilling targeted potentially open-pit-able mineralisation centred on a 1991 RC drill intersection of 6 metres of 11.8% zinc, 3.8% lead and 13 g/t silver from 112 metres downhole.

Five of Sipa's seven holes intersected significant mineralisation, with the best result being 6 metres of 9.5% zinc, 0.7% lead and 14 g/t silver from 51 metres downhole. Three RC holes were also drilled at the Corrua South and Limestone Tip prospects (neither previously RC drilled) 15 kilometres southwest of Stephens Trig. Hole CSC2 at Corrua South intersected 2 metres of 6.5% zinc, 0.2% lead and 17 g/t silver from 72 metres downhole.

The recent drilling results confirm and extend the significance of Stephens Trig. The challenge for the joint venture is to determine whether structural complexity between the sparsely RC-drilled, 100 metre-spaced sections could result in the definition of a resource amenable to open pit mining, such as was successfully mined at the Potosi deposit two kilometres north east of Broken Hill in the late 1990s.

Sipa will complete infill RAB drilling in the June Quarter of 2004 to better define the footprint of the mineralisation immediately beneath the shallow sand cover (typically less than 6 metres thick), before planning further RC drilling at Stephens Trig.

A Heads of Agreement was signed on the **Callabonna, SA** project with Red Metal Limited (Red Metal) in April 2004. The Callabonna tenement covers an area of approximately 710 square kilometres located on the northern margin of the Curnamona Craton and is considered to be prospective for large iron oxide copper-gold (IOCG) deposits, of a similar style to the Olympic Dam deposit.

The agreement permits Red Metal to earn a 51% interest in the tenement by completing expenditure of \$1,000,000 on the tenement. This expenditure shall include a minimum commitment work programme consisting of a detailed gravity survey covering extensive parts of the tenement area, to be completed within the first 12 months.

A Heads of Agreement was signed with Red Metal on the **Quinyambie, SA** project in April 2004. The agreement will require Red Metal to conduct extensive gravity surveys and complete one drillhole to basement depth on a selected target.



THE GAWLER CRATON, SA

A letter agreement was signed with Inco in relation to an Option/Joint Venture Agreement over PlatSearch's **Wynbring, SA** tenement ELA 082/03 in April 2004. Wynbring (PlatSearch 100%) covers an area of approximately 2,000 square kilometres located on the western margin of the Gawler Craton and is considered to be prospective for nickel sulphide deposits.

Inco Limited is a leading Canadian mining and metals company and is the world's second largest nickel producer. The Wynbring area covers a large part of the Fowler Domain, a major tectonic zone on the north western flank of the Gawler Craton. The Fowler Domain comprises dense, magnetic, highly deformed, intermediate to ultramafic intrusives overlain by thin Tertiary sands and recent sand dunes. Aeromagnetic surveys show the presence of a high concentration of crustal scale fractures and faults in this area. These structures could have provided pathways for the intrusion of mafic-ultramafic bodies with potential for nickel sulphides, chromite and platinoids. The Thompson Nickel Belt in Canada has similar features and is considered by the Department of Primary Industry and Resources of South Australia (PIRSA) as a possible analogue of the Fowler Domain. The Thompson Nickel Belt hosts major nickel deposits which have been mined by Inco since the early 1960s.

The **Toolgerie, SA** licence was granted during the March 2004 quarter. The tenement is located on the southern part of the Fowler Domain and covers a very large layered mafic-ultramafic complex, considered by PlatSearch to be prospective for Sudbury style nickel sulphide deposits. Located adjacent to Toolgerie, two further licences **Yalata** and **Black Hill** were applied for during the quarter giving a total coverage of 2,300 square kilometres in this area. Previous exploration of these tenements has been negligible to non-existent. Negotiations with regarding a joint venture on the Toolgerie area are at an advanced stage. Discussions with several parties regarding possible farm-in joint ventures on Yalata and Black Hill projects are in progress.

During the December 2003 quarter an Option Joint Venture Agreement was signed with Peninsula Exploration Pty Ltd (Peninsula) on the **Coondambo, SA** project. Peninsula's interest has been assigned to Marathon Resources Limited (Marathon) and currently Marathon has completed planned gravity surveys covering the northern half of the tenement where aeromagnetic data shows several strong magnetic anomalies that could be related to Olympic Dam style mineralisation.

LACHLAN FOLD BELT, NSW

Data interpretation on the **Trundle, NSW** project has continued during the March quarter. Several prospects with potential for Northparkes/Cadia/Ridgeway style copper-gold deposits have been identified. Induced polarisation surveys are being planned to assist in drill target definition. These surveys are expected to commence during the June 2004 quarter. Discussions with potential farm-in joint venture partners have commenced.

FINANCIAL

Cash expenditure by PlatSearch on exploration for the six months to 31 March 2004 was \$124,000. Expenditure by joint venturers on the Company's projects was \$566,000 for the same period. Cash funds available at 31 March 2004 were \$510,000. The Company has no borrowings.

In January 2004 PlatSearch successfully concluded an issue under its Shareholder Share Purchase Scheme. Applications for up to \$4,950 of ordinary shares at 11 cents were received from 199 shareholders and the amount raised was \$580,594. Of this amount \$451,950 was received prior to 31 December 2003 and \$129,000 was received in January 2004. The 5,279,491 new ordinary shares were allotted on 19 January 2004. The funds will be used for ongoing project generation, project enhancement and corporate costs.

Shareholders are encouraged to visit the Company's web site www.platsearch.com.au where full and up-to-date information on PlatSearch's activities can be obtained, including quarterly reports and announcements.

PlatSearch NL

Bob Richardson
Managing Director

The information on mineralisation contained in this report accurately reflects information compiled by R L Richardson, BSc, BE (Hons), MAusIMM, MASEG, Managing Director of PlatSearch NL a Competent Person (as defined by the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves), who has relevant experience in relation to such mineralisation and has consented to the inclusion of such information in this report.