



PLATSEARCH NL

ABN 16 003 254 395

Annual Report 2008



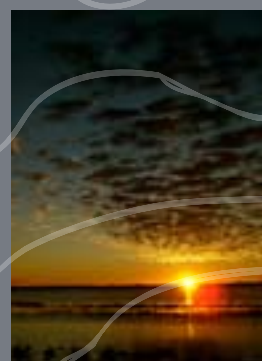
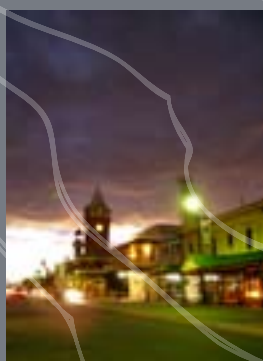


PLATSEARCH NL

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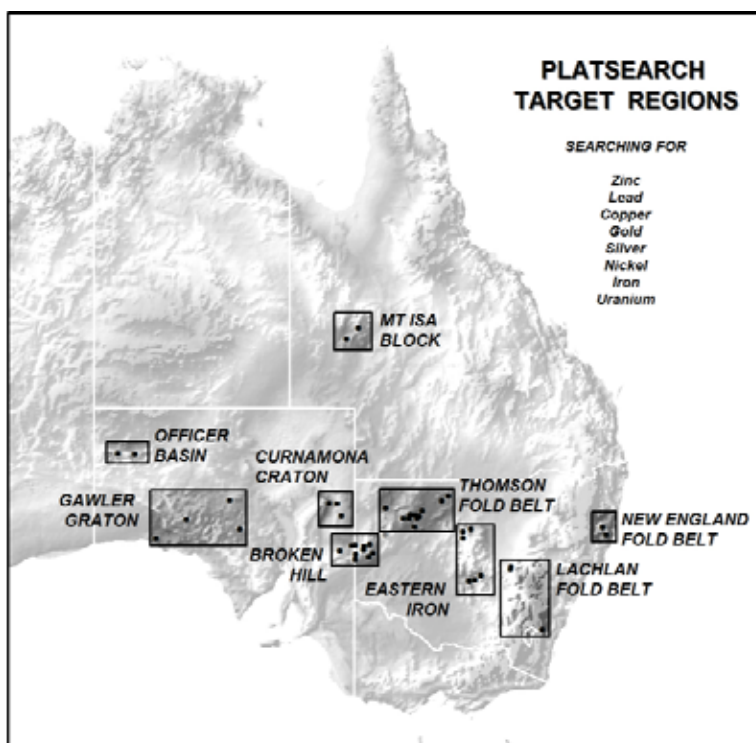




PlatSearch's 2007-08 year has been one of challenges, milestones and significant progress on several "new frontiers". Building on both its technical and commercial strengths, the Company has expanded its interests through a continued strategy of exploration project generation and innovative thinking.

Notable achievements during the year include:

- Positive developments at the **Peculiar Knob** and **Hawks Nest** projects in SA has greatly increased the importance of PlatSearch's shareholding in **Western Plains Resources**. With a combined DSO resource of 37.4 million tonnes at 62.6% Fe at the Peculiar Knob, Buzzard and Tui hematite deposits, WPG anticipates first production of iron ore in mid 2009. A 14 year mineral lease at Peculiar Knob was granted in June 2008 and ancillary mine permitting is proceeding well.
- Further work by **Teck Cominco**, at the Dome 5 prospect, **Mundi Plains** project, Broken Hill, has shown Mississippi Valley Type lead-zinc mineralisation extending over a one kilometre strike length and continues to find encouraging indications at depth for Broken Hill type mineralisation.
- PlatSearch initiated a bold new concept to investigate the potential for iron ore production from the very large quantities of shallow, low-grade, easily extractable iron-rich material that exists in the extensive networks of palaeochannels in parts of western NSW. This initiative led to a capital raising of \$5 million in May 2008 and ASX listing of **Eastern Iron Limited** in which PlatSearch holds a 45% shareholding. EFE has commenced a substantial programme of aircore drilling on 15 tenements in western NSW.
- PlatSearch's ground position in the **Thomson Fold Belt** in north-western NSW consists of 12 large tenements covering a 2,500 square kilometre area. Joint venturer Minotaur Exploration is completing a programme of drilling on 10 prospects with encouraging early results.
- A new company **Silver City Mining Limited** was incorporated for the purposes of acquiring and exploring a significant tenement package in the Broken Hill district where SCI aims to become a major exploration force. SCI has raised seed capital of \$1.25 million and intends to raise further funds through a planned 2009 IPO on the ASX to carry out a concerted programme of target definition and drilling on the SCI tenements.
- Red Metal has identified some exciting new structural and stratigraphic targets for uranium in the Callabonna and Quinyambie tenements in the **Curnamona Province** of South Australia. Red Metal will focus on these targets in an extensive drilling programme planned for later in 2008.
- Minotaur Exploration intersected an 18 metre wide magnetite and pyrite rich unit between 51 and 69 metres at the Great Goulburn prospect, **Hollis Tank** project, Broken Hill. Assay results are not yet available, however, previous drilling here has encountered strong cobalt and gold values.
- The **PlatSearch technical team** has been strengthened considerably with the involvement of two highly experienced geologists.



Expenditure on PlatSearch's areas for the 12 months to 30 June 2008 was \$5,196,000 of which \$244,000 was spent by PlatSearch, the balance by joint venturers.

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

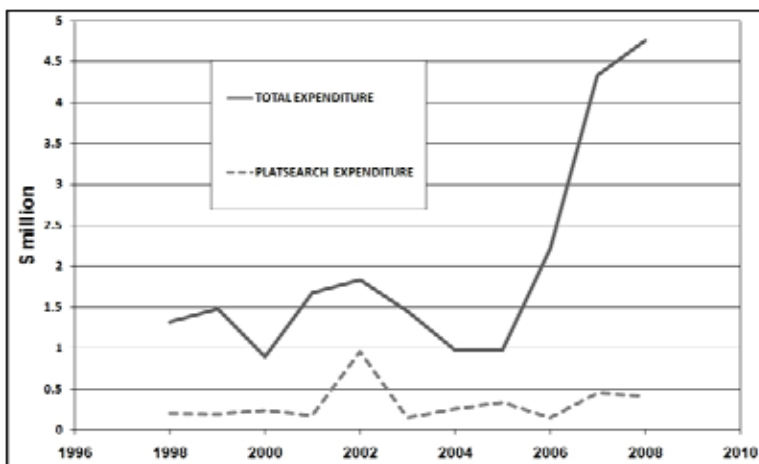


PlatSearch's primary targets are large, world-class deposits, principally base metals (copper, lead, zinc and nickel), precious metals (gold and silver), iron ore and uranium. The Company has continued to build a strong tenement holding with potential for these types of deposits. Attention is focussed currently on the Curnamona Province (including the Broken Hill Block), the Gawler Craton, the Mt Isa Block, the Lachlan Fold Belt, the New England Fold Belt and the Thomson 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 project generation activities are expertise intensive but relatively low cost. They typically include data research, geological mapping, geophysical surveys and occasionally shallow air-core or RAB drilling. The higher cost activities, particularly deeper 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. In the event of a world-class discovery such an interest would result in very substantial capital gain for shareholders. In some joint ventures PlatSearch may negotiate an equity position in the joint venturer's shares, in addition to the retained interest in the tenement. Through the Wynbring joint venture PlatSearch now holds 500,000 shares and 2,000,000 options in Chesser Resources and through the Pathfinder joint venture 500,000 shares and 1,000,000 options in Newport Mining.

PlatSearch will continue to seek ways of minimising the costs while maximising the benefits to its shareholders through appropriate funding arrangements for its projects, whether through standard joint



venture arrangements, listed shares or, as in the case of Western Plains Resources, Eastern Iron and Silver City Mining, specific IPOs in which PlatSearch maintains a significant investment and involvement.

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 companies. PlatSearch continues to attract such support for exploration on its areas. This is a reliable measure of the quality of our projects. The accompanying graph shows the level of exploration funding on the Company's areas which, over the past nine years, has averaged \$2.06 million per annum, compared with \$0.33 million per annum by PlatSearch. 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.

CURNAMONA PROVINCE



The Curnamona Craton continues to be an important arena for exploration by PlatSearch and its joint venturers which include Teck Cominco, Minotaur, Red Metal, Newcrest, Perilya, CBH Resources and Crossland Uranium.

At the **Mundi Plains** project near Broken Hill, **Teck Cominco Australia Pty Ltd**, a subsidiary of Teck Cominco Limited of Canada (Teck) continued a substantial drilling programme through the year. Drilling was conducted at several locations with the main focus on the Dome 5 prospect where Teck has now completed 6,500 metres in eight deep rotary/core holes. Teck's drilling at Dome 5 has proceeded in three stages – holes DF2 and DF3 in March 2007, holes DF5 and an extension of DF3 in September 2007 and holes DF4, 5, 6, 7 and 8 in May-July 2008.



The Mundi Plains joint venture embraces ELs 6404 (in NSW) and 3328 (in SA) located 50 kilometres northwest of Broken Hill. This plan shows the principal targets under investigation. Background is regional aeromagnetic image.

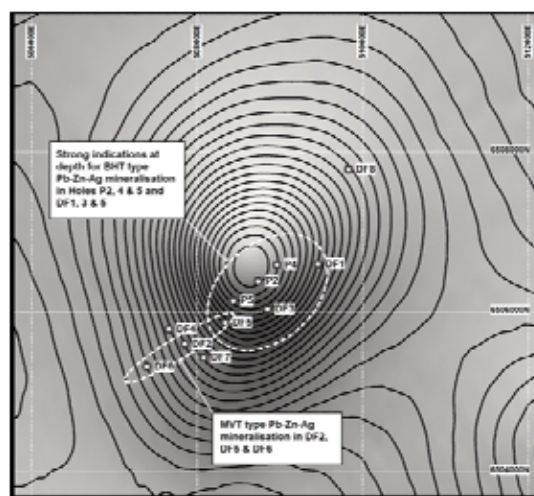
This drilling has identified potential for two styles of mineralisation at Dome 5 – Broken Hill type (BHT) lead-zinc-silver in the Mesoproterozoic Willyama Complex basement sequence at depth (600-900 metres) and Mississippi Valley type (MVT) lead-zinc-silver in the shallower (300-350 metres) Neoproterozoic (Adelaidean) sequence. Four widely spaced holes DF4, DF5, DF6 and DF7 were completed in July 2008 to follow up the 2007 intersections of MVT type mineralisation in DF2 (1.0 metre at 8.03% lead, 13.88% zinc and 74.85 g/t silver from 327.3 metres and 3.06 metres at 0.17% lead, 6.95% zinc and 4 g/t silver) from 337.6 metres. In the recent drilling MVT mineralisation was also intersected in two narrow massive sulphide intervals in holes DF4 and DF6 indicating that this style of mineralisation extends over a strike distance of at least one kilometre. Assays are pending.

The deeper drilling in Willyama Group rocks has continued to show clear geological evidence of prospectivity for BHT style mineralisation. This evidence was supported by a lithogeochemical alteration study conducted by Teck's consultant on Dome 5 drill samples. This technique measures lithological and lithogeochemical alteration signatures and can provide vectors to guide ongoing drilling.

In addition to the Dome 5 drilling, Teck completed two rotary/core holes in the Junction Dam tenement (EL 3328 across the border in SA) on the K16 and Yambarra prospects during July-August 2008. Both holes intersected Mesoproterozoic metasediments of the Willyama Complex with minor vein-hosted sulphide mineralisation (pyrite-trace chalcopyrite) throughout. Assays are pending.

At the **Hillston** Project south-west of Broken Hill, joint venturer **Perilya** continued a steady exploration programme through the year based on systematic soil geochemistry using the Niton XRF portable analyser. Perilya proposes to drill four diamond core holes in the second half of 2008.

Following the signing of the **Hollis Tank** joint venture agreement in June 2007 **Minotaur Exploration** completed one RC hole at each of the Great Goulburn and Singha prospects to test geophysical/geochemical anomalies defined by PlatSearch. The Great Goulburn hole intersected an 18 metre wide magnetite and

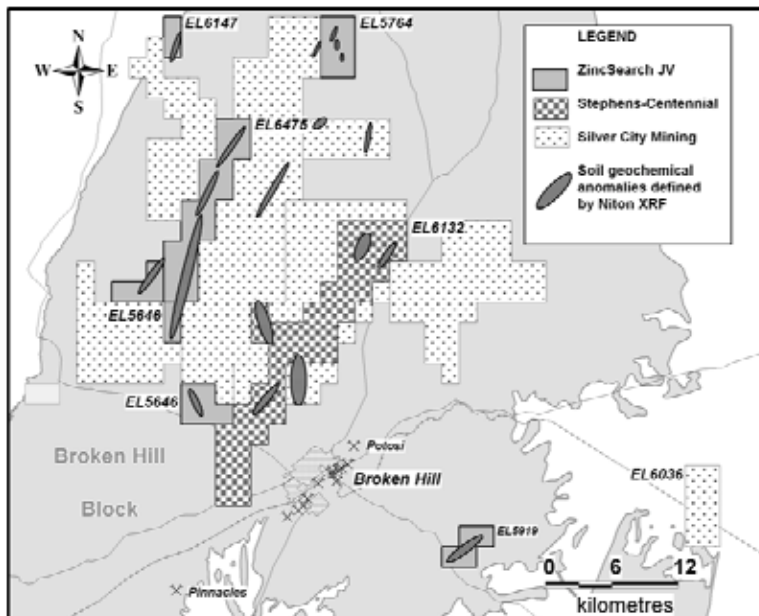


Teck Cominco has completed eight deep core holes totalling 6,500 metres at the Dome 5 prospect. Plan shows the Dome 5 magnetic anomaly and locations of holes completed to date.

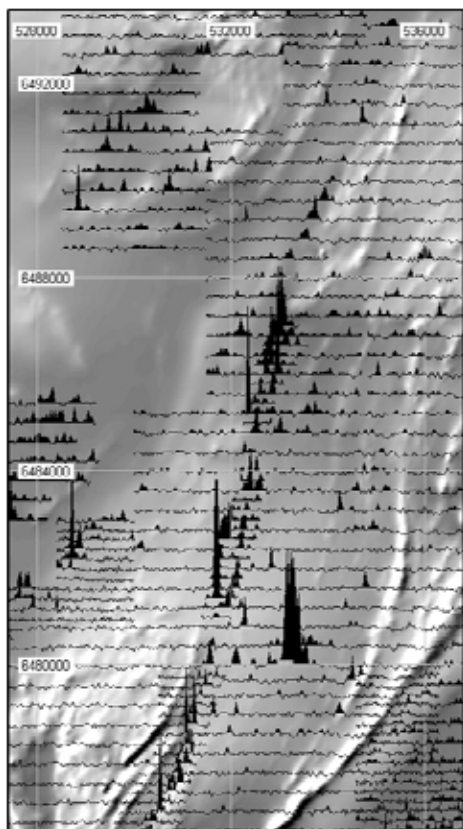


pyrite rich unit between 51 and 69 metres. Assay results are pending. Previous drilling on the target at Great Goulburn intersected significant gold and cobalt values.

Over the last two years **CBH Resources** has undertaken a very comprehensive regional geochemical screening of the **ZincSearch JV** tenement package using a new exploration technology which utilised a Niton portable XRF analyser. Over 110,000 stations on a systematic grid have been subject to measurement of 19 elements. Fourteen substantial, coherent, geochemical anomalies were identified which have been reduced to nine significant targets as a result of follow-up soil geochemistry and prospect mapping. The majority of these targets have not been subject to prior detailed investigation or drilling.



Plan shows the central Broken Hill Block with the ZincSearch JV and Stephens-Centennial tenements and the areas covered by recent Silver City Mining ELAs.



\$2 million Newcrest has earned an 80% interest in the joint venture and PlatSearch has reduced to a 10% interest carried via a non-recourse loan up to a decision to mine.

The **Callabonna** and **Quinyambie** tenements are located in the north-western portion of the metal-rich Curnamona Province of South Australia. Joint venturer **Red Metal** is targeting both Olympic Dam-style copper, gold and uranium mineralisation in basement rocks and roll-front type uranium deposits hosted in the Tertiary sedimentary sequences. The Callabonna and Quinyambie tenements cover the highly prospective Tertiary Namba and Eyre sedimentary formations which host the known uranium mines and deposits in the region e.g. the Heathgate Resources Pty Ltd's Beverley uranium mining operations and the Four Mile deposit.

New, high resolution airborne electro-magnetic surveys completed by Red Metal have successfully mapped the previously unrecognised, northward

extension of the Paralana fault system onto the Callabonna and Quinyambie tenements. The Paralana fault system is a deep seated, long life structural zone which is interpreted to play an important role in the localisation of prospective sand sequences and uranium mineralisation.

Lead-zinc values from Niton XRF analysis are shown as profiles (in black) on a background image of aeromagnetic data. Sampling on traverses spaced 200 metres apart has defined a strong lead-zinc anomalous zone extending over a length of 20 kilometres on the Apollyon Valley shear zone. There has been no previous drill testing of this zone.



These exciting new structural and stratigraphic targets in this proven uranium terrain are untested by previous drilling and will be the focus of an extensive drill programme by Red Metal planned for later in 2008. Heritage clearances are progressing in preparation for drilling.

Auger sampling by **Crossland Uranium Mines** at the **Kalabity** project identified a substantial area of elevated uranium values at the Tabita prospect. This was followed by a more extensive programme of 636 auger samples and spot rock-chip sampling. Results of analyses show numerous uranium values up to 235ppm as well as anomalous copper up to 2.67%, cobalt up to 1,460ppm and nickel up to 700ppm. The results are yet to be coordinated and studied in detail.

PlatSearch is seeking a new joint venturer to fund further drilling at the **Cymbric Vale** project in the Koonenberry Belt to follow up encouraging copper and nickel results from drilling conducted by Bondi Mining in late 2007 at the Cymbric Vale Copper Mine and Horseshoe Hills prospect. Gossanous outcrops occur over 1.2 kilometres of strike length at the Cymbric Vale Copper Mine. Rock-chip sampling in 2007 returned high-grade copper up to 5.61% and 4.91% and anomalous gold to 0.11 g/t and two aircore holes intersected secondary copper mineralisation, broad zones of alteration and anomalous copper grades including 16 metres at 0.88% copper.

SILVER CITY MINING LIMITED



Silver City Mining Limited (SCI) was incorporated for the purposes of acquiring and exploring a significant tenement package in the Broken Hill district where SCI aims to become a major exploration force.

Several parties, including PlatSearch, have agreed to contribute tenements to the package by way of sale agreements in return for shares. The tenement package includes **Road Warrior** (ELs 6863, 6864 and 6865), **Woowoolahra** (EL 6468), **Chloe** (EL 6542), **Mulyungarie** (ELs 3478 and 4657), **Zetta** (EL 7181 and ELA 3497), **Ironbar** (ELA 3513), **Euriowie** (EL 5771), **Nightrider** (ELA 3514) and Ziggys (EL 6036).

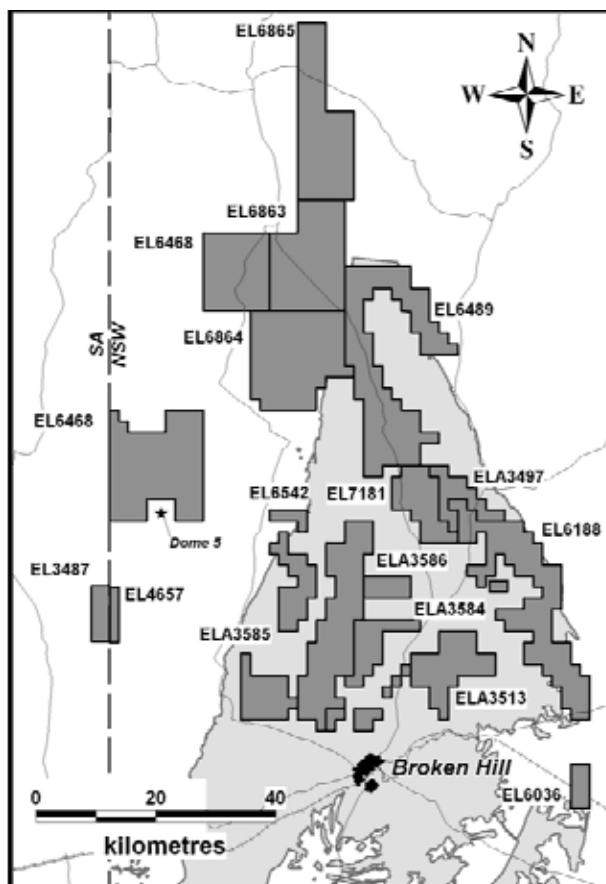
In addition, SCI has applied for three new exploration licences to cover areas on the Broken Hill Block that have recently come available – **Elrond** (ELA 3584), **Borimor** (ELA 3586) and **Frodo** (ELA 3585). The combined tenement package gives SCI a major ground position covering a highly prospective part of the Broken Hill province, with potential for the following target types:

- Sediment-hosted, stratiform lead-zinc-silver;
- Sediment-hosted hydrothermal copper deposits;
- MVT lead-zinc-silver; and
- IOCG copper-gold mineralisation.

SCI has raised seed capital of \$1.25 million and intends to raise further funds through a planned 2009 IPO on the ASX to carry out a concerted programme of target definition and drilling on the SCI tenements.

Since the commencement of work in the region by PlatSearch and previous explorers in the 1990s, certain key changes have occurred which have re-opened the Broken Hill district for a new wave of exploration. These changes include:

- Improvements in exploration technology;
- Discovery of new styles of base and precious metals mineralisation;
- Recognition by capital markets that there is a global shortage of good new projects; and
- Introduction of new explorers at Broken Hill with greater flexibility in target type has increased exploration and market interest.



Plan shows the Silver City Mining tenement package at Broken Hill.



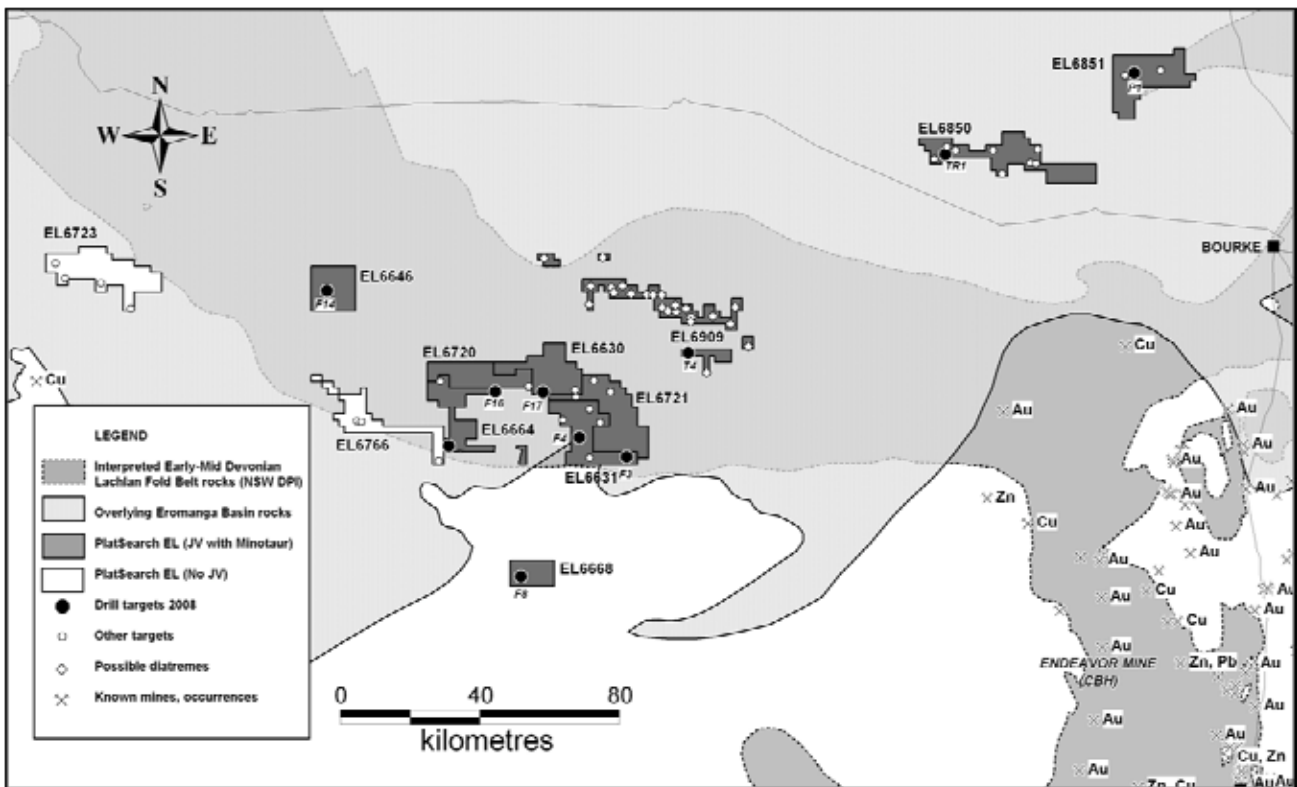
PlatSearch will receive ordinary shares, converting performance shares and options as consideration for vending certain Broken Hill tenements to SCI. It is anticipated that PlatSearch will hold approximately 11.5% of SCI following its proposed listing on ASX. It will also hold a significant number of options and performance shares which will realise value in the event of exploration success by SCI, particularly if a discovery is made on the former PlatSearch tenements.

THOMSON FOLD BELT



The immense area of the **Thomson Fold Belt** is located in the northwest corner of NSW and is one of the last “frontiers” for exploration in NSW. Interest in this region was triggered by the release of new, detailed aeromagnetic data by the NSW Department of Primary Industries. This data has revealed many structures and magnetic targets of possible economic interest. Using the recent aeromagnetic data PlatSearch identified a possible continuation of the Siluro-Devonian Cobar Basin rocks under shallow cover on the southern margin of the Thomson Fold Belt and moved quickly to secure large areas that it considers are prospective for base and precious metals and diamonds.

PlatSearch considers that the Thomson Fold Belt has potential for Cobar-style base and precious metal mineralisation and is heartened by results from the first hole drilled in the region by joint venturer **Minotaur Exploration** at F16 prospect that intersected a one metre interval assaying 70.5 g/t silver and 390ppm tungsten in veined sediments.



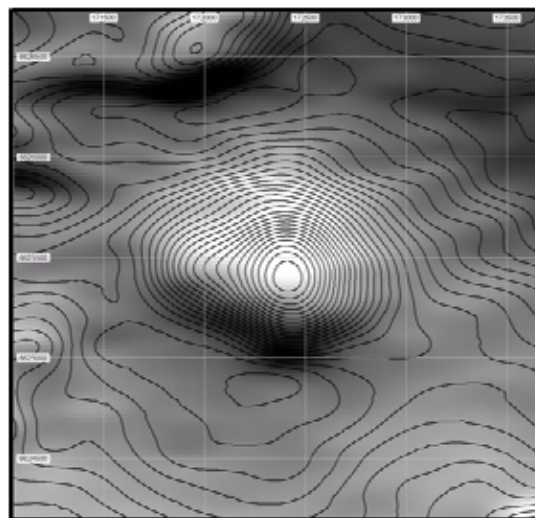
The Thomson Fold Belt (TFB) covers a vast area of north western NSW and is virtually unexplored. Current thinking suggests that Lachlan Fold Belt rocks that host the valuable base and precious metal deposits near Cobar extend under the more recent Eromanga Basin rocks along the southern margin of the TFB. PlatSearch's JV partner Minotaur is currently engaged in a substantial drilling programme on six PlatSearch tenements.



PlatSearch now holds 12 tenements in the Thomson Fold Belt covering a combined area of approximately 2,500 square kilometres in what has become a busy exploration region. With the addition of three new joint ventures with PlatSearch to their programme during the year, Minotaur is funding exploration on nine tenements and is now part way through a drilling programme for which it is committed to drill test eight prospects with potential for base and precious metals and diamonds. Following delays due to drilling difficulties this drilling programme recommenced in April 2008 with five holes completed to date. Detailed geological logs and assays for holes commenced in April are pending.

Assays and drill logs have been received for only the first two holes drilled in late 2007. Subsequent resurvey of the magnetic anomaly at F16 using an elevated sensor to reduce the effect of near-surface magnetic material has resulted in a much clearer definition of the anomaly and shows that the first hole at F16 was not an optimum test of the anomaly. A more accurate target has now been derived and a second hole will be drilled at F16 prospect during the current drilling programme.

PlatSearch completed further ground magnetic surveys on the **Callindary, Mulga, Glendara** and **Laurel** tenements where discrete magnetic anomaly targets have been identified and surveyed in each.



The F16 magnetic anomaly in the Klondyke tenement, TFB. The first F16 drillhole intersected one metre at 70.5 g/t silver and 389ppm tungsten. A second hole is in progress.

GAWLER CRATON



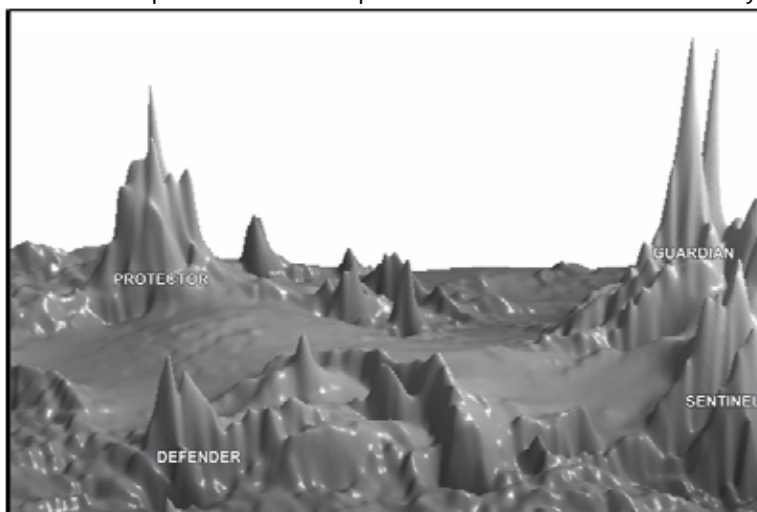
The Gawler Craton remains one of the more active exploration provinces in Australia, highlighted this year by the commencement of mining at Prominent Hill copper-gold mine (Oz Minerals) and feasibility studies completed for the

Cairn Hill (IMX) and Peculiar Knob (Western Plains) iron ore projects.

Located approximately 25 kilometres west of the Prominent Hill copper-gold project PlatSearch's **Mirikata Project** tenement contains several strong gravity and magnetic anomaly targets. Newcrest completed four rotary/core holes at the Mirikata project. Hole MRK 5 returned anomalous metal values from quartz-carbonate-sulphide veinlets hosted in a broad clay-chlorite-sericite altered fault zone. **Newcrest** has withdrawn from the joint venture and PlatSearch is seeking a new partner.

Ground electromagnetic surveys funded by joint venturer **Chesser Resources** were completed on several prospects in the **Wynbring** tenement. At Grid 1 prospect a moderately conductive 600 metre long zone has been defined in an area where previous drilling encountered ultramafic rocks and strongly anomalous chromium. At Grid 2 prospect, two conductors were defined. Following a review of the results, Chesser Resources withdrew from the joint venture.

More recently, PlatSearch has identified a possible iron ore opportunity in this tenement. Banded ironstone formation with anomalous gold (approximately 1 g/t in rock-chip samples) outcrops at Grid 2, now renamed the Defender prospect. The prospect lies



This graphic shows a 3D representation of aeromagnetic data in the northern part of the Wynbring tenement in western SA. The stronger magnetic anomalies are likely to be caused by banded iron formation (BIF) with iron-ore potential. BIF has been intersected in previous drilling at Defender prospect. All of these prospects are within several kilometres of the Trans Australia Railway.



only 2.5 kilometres south of the main Trans Australia Railway line and 600 kilometres by rail from Whyalla.

Aeromagnetic data over the Defender prospect shows a strong anomaly due to the ironstone with the data indicating a strike extent of at least 1,500 metres and significant thickness and depth extent. Surface sampling by a previous copper-gold explorer shows iron values generally in the range 45% to 55%, up to 70%. Previous limited RC drilling has intersected significant intervals (18-20 metres thick) averaging approximately 37% iron.

Three other possible iron ore targets (Protector, Guardian and Sentinel prospects) will also be investigated in the upcoming programme. These targets are all located within one and seven kilometres from the Trans Australia Railway.

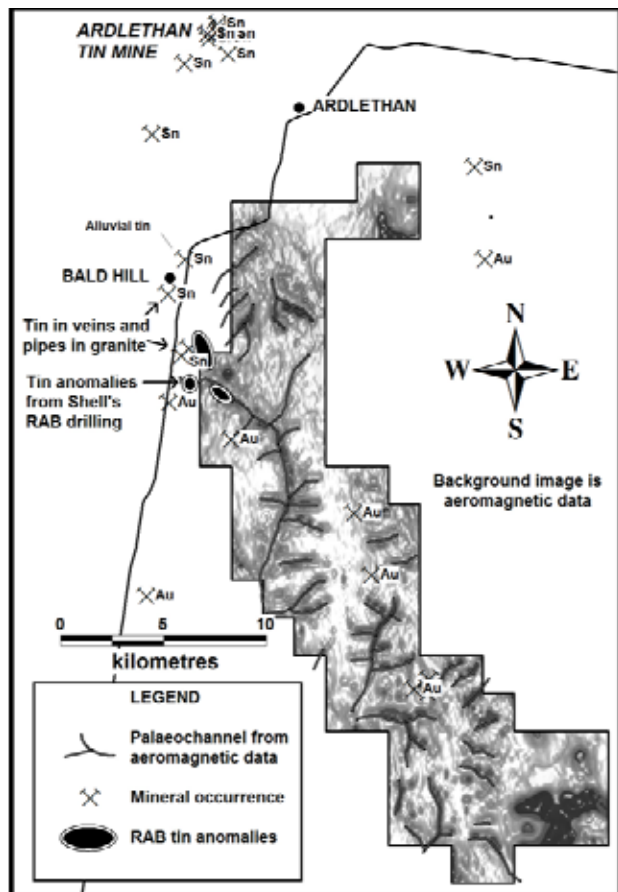
On the **Pathfinder** project located in the western Gawler Craton, joint venturer **Newport Mining** is required to complete a \$250,000 programme exploring for Sudbury-style nickel sulphide deposits and iron-oxide associated copper-gold deposits. Access negotiations with the traditional landholders in the area are being progressed and a gravity survey to assist in defining drill targets is scheduled to commence in October 2008.

In the **Coondambo** project tenement, **Marathon Resources** completed detailed calcrete geochemical sampling of areas of interest defined by the regional calcrete sampling completed in 2006. Several gold anomalies have been identified. Interpretation of airborne radiometric data by Marathon has identified two uranium anomalies located on fault structures and these will be subject to further investigation.



The **Tinman** project tenement covers an area of 250 square kilometres stretching from 8 to 35 kilometres south of one of Australia's most important previous tin producers, the Ardlethan Mine, which produced 31,500 tonnes of metallic tin between 1912 and 2004. Significant quantities of alluvial tin shed from the granite-hosted hard-rock tin deposits at Ardlethan and nearby areas have been explored for and mined in the past. Using currently available high quality aeromagnetic data PlatSearch has identified an extensive network of palaeochannels that appear to be draining known tin bearing areas south of Ardlethan near Bald Hill. Previous explorers (Shell, Aberfoyle) conducted extensive RAB drilling and encountered anomalous tin (up to 0.4%) close to the "headwaters" of these palaeochannels, however, they did not have the benefit of the more recently available good quality aeromagnetic data to identify palaeochannels. PlatSearch will commence a programme of shallow aircore drilling to test these channels for their tin and iron content in October 2008.

PlatSearch holds a 1.6% NSR royalty interest in the **Trundle** tenement which is located in a window of highly prospective Ordovician volcanics approximately 30 kilometres due west of the Northparkes copper-gold mines. During the year WPG farmed-out the Trundle copper-gold property project to Cybele Resources (Australia) Ltd, a wholly owned subsidiary of Canadian company Calibre Mining Corporation. Cybele can earn a 70% interest in the Trundle tenement by completing exploration expenditure totalling \$3 million over a three year period with a minimum work commitment of \$600,000 in the first year. Cybele can earn an additional 20% interest in the project by completing a Feasibility Study. Cybele commenced a seven-hole 3,700 metre diamond drill programme at Trundle in July 2008.



In the Tinman project licence in central west NSW, recently available aeromagnetic data shows clear evidence of iron-rich palaeochannels that drain areas of known hard-rock and alluvial tin deposits. An aircore drill programme will test these for iron and tin mineralisation.



Initial results from the drilling campaign have confirmed the presence of a large multi-phase intrusive porphyry copper-gold system in the northern part of the tenement that encompasses the Mordialloc and Bloomfield prospects. This porphyry system is in an area of prominent magnetic anomalies that were defined by the WPG detailed aeromagnetic survey and is coincident with broad areas of anomalous copper and gold geochemistry. Several key "signature" geological and mineralisation features akin to those that occur in the volcanics and intrusions at Northparkes have been noted in the Cybele drill core. No assay results are yet available.

Bondi Mining completed 88 aircore holes on the **Dunmore** and **Tomingley** project areas near Peak Hill, NSW. These areas are considered to be prospective for porphyry style gold-copper mineralisation such as exists at the nearby Northparkes copper-gold mines. Significant copper and gold assay results were returned from a number of relatively wide-spaced holes testing aeromagnetic anomalies in both tenements. Bondi withdrew from this joint venture in May 2008 and PlatSearch is seeking a new partner to fund further work on these areas.

EASTERN IRON LIMITED



In early 2007 PlatSearch initiated a bold new concept to investigate the potential for iron ore production from the very large quantities of shallow, low-grade, easily extractable iron-rich material that exists in the extensive networks of palaeochannels in parts of western NSW. To pursue this concept PlatSearch formed a subsidiary company **Eastern Iron Limited** which successfully completed a capital raising of \$5 million and commenced trading on the Australian Securities Exchange on 16 May 2008.

PlatSearch holds 16,000,000 ordinary Eastern Iron shares (ASX Code: EFE) and 5,000,000 Eastern Iron options (exercise price 35 cents and expiry date of 19 December 2012). PlatSearch's wholly owned subsidiary Bluestone 23 Limited holds 5,000,000 EFE shares. Together this represents a total of approximately 45% of Eastern Iron. At 19 September 2008 EFE shares were trading at \$0.18.

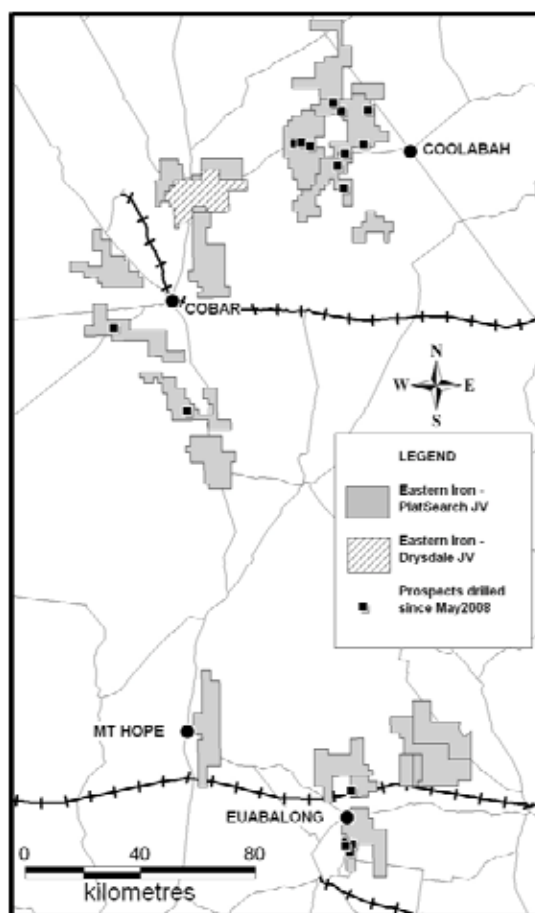
In addition to its shareholding in Eastern Iron, PlatSearch holds a 20% joint venture interest in the 15 tenements that Eastern Iron will explore for iron ore, free-carried until the completion of a favourable feasibility study and then PlatSearch will contribute or may convert to a 2% NSR royalty interest.

In the weeks following listing a scout drill programme was initiated with drilling undertaken on five palaeochannel targets at Cobar and Main Line to date. After a short break due to wet weather the drill programme restarted in August and is ongoing with a further five palaeochannels tested to date. Most target areas drilled lie within 50 kilometres by road from major public-access rail infrastructure that connects with the world-class, deepwater, bulk-export ports of Newcastle and Port Kembla.

Particular exploration achievements by EFE since listing:

- Aircore drilling of 4,417 metres in 288 holes has been completed at 15 prospects, confirming the continuity of NSW CID targets in palaeochannels in the Cobar and Main Line project areas. Pisolitic maghemite has been intersected from the surface in most prospects drilled. Samples have been submitted for magnetic separation and assay for iron as well as a range of precious and base metals.
- An area for resource trial drilling with potential to produce ex-mine products grading approximately 50% iron using simple magnetic separation has been outlined.
- A joint venture agreement with Drysdale Resources was signed to explore prospective palaeochannels close to Cobar rail infrastructure.

In early 2007 PlatSearch initiated a bold new concept to investigate the potential for iron ore production from the very large quantities of shallow, low-grade, easily extractable iron-rich material that exists in the extensive networks of



Location of Eastern Iron's tenements and prospects where drilling has occurred since Eastern Iron's ASX listing in May 2008.



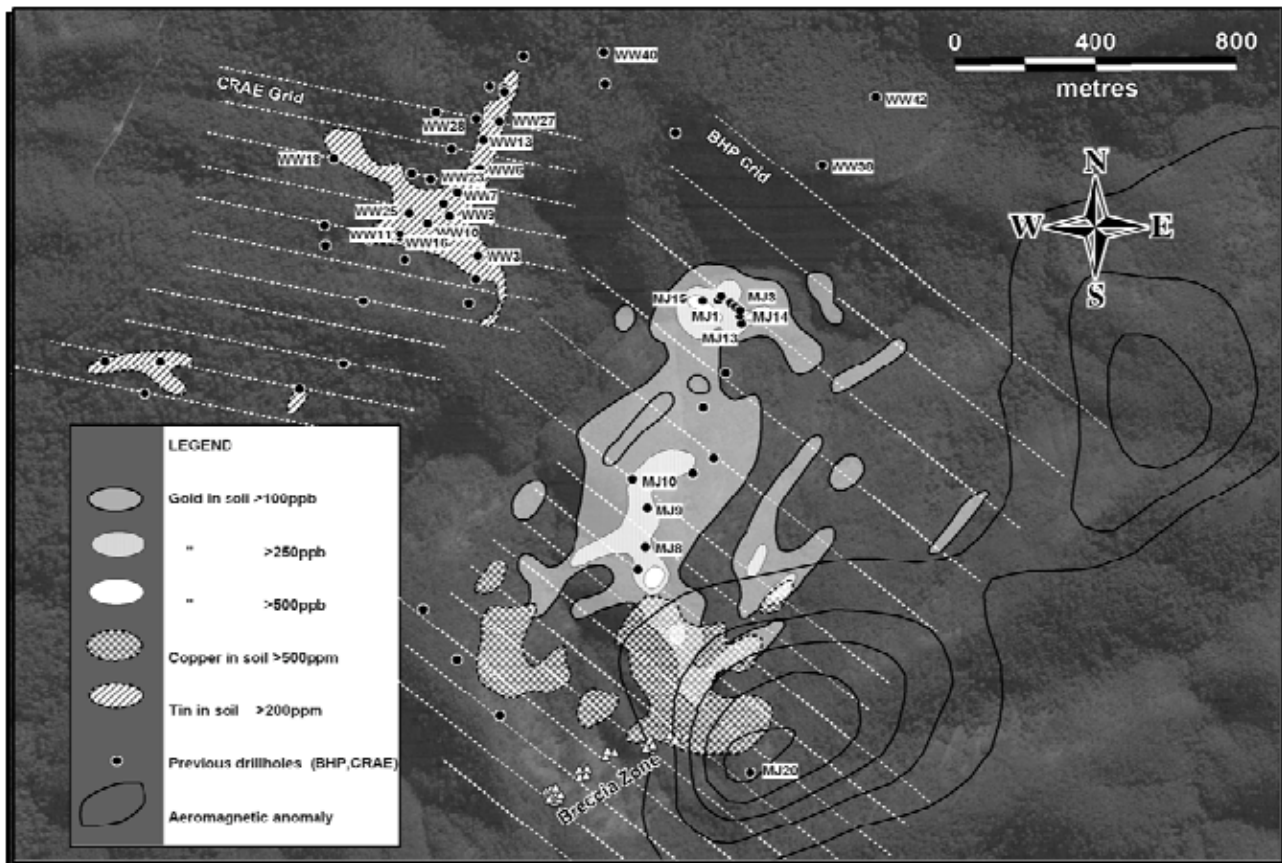
- A number of exploration and development projects that have the possibility of adding value to Eastern Iron's iron ore assets in NSW have been identified and are under active investigation.

NEW ENGLAND FOLD BELT



PlatSearch holds two tenements in the New England Fold Belt with potential for gold, tin and molybdenum. The tenements occur within a belt of I-type granite intrusives, a type of intrusive known for its association with intrusive-hosted gold deposits and molybdenum and tin mineralisation.

The **Kempsey** Project tenement covers an area of extensive previous exploration by both BHP and CRA. CRA focused on exploration for tin outlining a significant body of tin mineralisation within the area. PlatSearch's data compilation reveals an extensive, semi-circular complex of gold, copper, tin and zinc mineralisation within Permian sediments, volcanics and high level intrusive rocks. The prospect shows clear evidence of prospectivity for a large intrusive related gold or porphyry style copper-gold system. Of particular interest is a coherent gold in soils anomaly (>0.1 g/t gold) with dimensions of approximately 1,000 x 500 metres. All previous drilling has been relatively shallow and many holes ended in significant gold mineralisation. Deeper drilling is required.



The strongly mineralised area at the Kempsey prospect in northern NSW shows indications of a large intrusive-related gold or porphyry style copper-gold system. Previous shallow drilling (CRAE, BHP) encountered significant gold and tin mineralisation. Many holes ended in mineralisation and deeper drilling is warranted. Background image is Google terrain.

The **Gundle** Project tenement is located approximately 25 kilometres south-east of the Kempsey tenement and has similar geology but is less explored. Granite intrusives in the tenement are of similar age and type to the granites in the Kempsey tenement. Previous explorers concluded that the geological parameters of the area are very similar to the Kempsey area. Minor occurrences of tin, tungsten, copper and silver exist but there has been little previous exploration or drilling.

Both prospects are in heavily wooded and topographically rough areas. PlatSearch is engaged in discussions with potential joint venturers regarding the funding of ongoing work on the Kempsey and Gundle tenements, specifically including deeper drilling on the Kempsey gold anomaly.



MT ISA INLIER



The Mt Isa Inlier continues to be one of the world's pre-eminent mineral provinces producing base and precious metals from a variety of deposits styles.

WCP Resources completed two deep core holes to depths of 778 and 860 metres at the **Lilleyvale** project south of Cloncurry, intersecting intensely skarn-altered rocks. Both holes intersected wide intervals of weakly to moderately anomalous copper and gold including one metre intervals of 0.45 g/t gold in DDH2 and 3,850ppm copper in DDH3. WCP subsequently withdrew from the joint venture. This is a very large system and further targets remain to be drill tested. A joint venturer to fund further drilling is being sought.

Following the signing of a joint venture agreement in April 2008, **Red Metal** completed a vertical drillhole to 560 metres depth on a strong gravity and magnetic anomaly target at the **Horse Creek** project, southwest of Cloncurry. The hole entered basement at 440 metres and then intersected a large ironstone system with magnetite and abundant pyrite. Assay results and geological logging are pending.

WESTERN PLAINS RESOURCES



Western Plains Resources (WPG) has rapidly advanced its Peculiar Knob and Hawks Nest DSO projects, achieving significant DSO resource and reserve increases through focused exploration. The 14 year mineral lease at the **Peculiar**

Knob was granted in June 2008 and ancillary mine permitting is proceeding well. A 3,800 metre drilling campaign is underway at **Hawks Nest** and WPG is confident that it will increase DSO resources at this project over time.

The PlatSearch Group holds 6.375 million WPG ordinary shares, 1.375 million options exercisable at \$0.25 and 3.475 million options exercisable at \$0.35. At 19 September 2008 WPG shares were trading on ASX at \$0.58.

The Hawks Nest magnetite project (total resource estimate of 569 million tonnes at 35% Fe) has been the subject of ongoing assessment during the year, with a scoping study into the better known Kestrel orebody (total resource estimate of 220 million tonnes at 36% Fe) generating positive outcomes. WPG is discussing the Hawks Nest magnetite project with a number of parties and anticipates securing project participation by a necessarily "deep pocketed" partner by the end of 2008.

WPG's expectation that it would be permitted to export ore through the Port of Whyalla was dealt a serious blow in December 2007, with port owner OneSteel Ltd denying WPG access. As a result, WPG (as a founder of the Port Bonython Bulk Users Group) engaged in an extensive campaign to enlist the support of the SA Government in providing an export solution for WPG (and other near term, dry bulk commodities exporters in the Spencer Gulf region). WPG has been extremely pleased with the support provided by the SA Government, with calls for an expression of interest into the development of such a facility at Port Bonython issued by the SA Government; which closed on 17 June 2008. WPG, as part of a strong, multi-disciplined consortium, has actively participated in expressing interest to construct the facility and awaits Government's deliberations on the matter.

WPG is confident that Port Bonython will be developed, however, it has committed to commencing initial iron ore exports through Darwin on a short term basis. A memorandum of understanding has been executed with the Darwin Port Authority to this effect and the Company is currently negotiating the details of a definitive port access agreement. For further details regarding progress on WPG's projects including the status of its iron ore resources and reserves and the Competent Person declarations, the reader is referred to the WPG quarterly activities report for June 2008 released to the ASX on 23 July 2008 and the Scoping Study completed for the Kestrel magnetite project at Hawks Nest released to the ASX on 8 April 2008 and are available on its website www.westernplainsresources.com.au

Bob Richardson
Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by R L Richardson, BSc, BE (Hons), who is a member of the Australasian Institute of Mining and Metallurgy. R L Richardson is Managing Director of PlatSearch NL and a part-time employee of PlatSearch NL. R L Richardson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". R L Richardson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



SUMMARY OF JOINT VENTURES

as at 25 September 2008

Apollyon Valley EL 6475, Big Aller EL 6147 and Mt Robe EL 5646, NSW

PlatSearch 20% and Broken Hill Operations 80%. PlatSearch has a 20% interest, free-carried to completion of a bankable feasibility study and then can participate or convert to a NSR (Net Smelter Return) royalty.

Black Hill EL 3281, Toolgerie EL 3216 and Yalata EL 3280, SA

PlatSearch 80% and Bohuon Resources 20%. Newport Mining can earn 60% by spending \$1.5 million within four years. PlatSearch/Bohuon can then participate with their 40% interest, or reduce to a 20% interest free carried to completion of a favourable bankable feasibility study (BFS) and decision to mine. At the completion of a BFS and decision to mine PlatSearch/Bohuon can elect to either participate in further expenditure in proportion to their interests or convert their participating interest to a NSR royalty.

Callabonna EL 3695, SA

PlatSearch 100%. Red Metal can earn a 70% interest by spending \$3 million within three years. PlatSearch then can contribute with 30% or reduce to a 15% interest, carried to completion of a BFS and repayable from PlatSearch's share of net proceeds of mine production.

Coondambo EL 3593, SA

PlatSearch 50% and Marathon Resources 50%. Marathon can earn 80% by spending \$1 million within four years. PlatSearch can contribute with 20% or reduce to a 10% interest, carried to completion of a BFS and then participate or convert to a NSR royalty.

Copper King EL 5919 and Yanco Glen EL 5764, NSW

PlatSearch 16%, Eaglehawk 4% and Broken Hill Operations 80%. PlatSearch/Eaglehawk have a 20% interest, free-carried to completion of a BFS and then can participate or convert to a NSR royalty.

Cymbric Vale ELs 6403 and 6834, NSW

PlatSearch 50% and Paradigm Mexico 50%.

Dunmore EL 6473 and Tomingley EL 6474, NSW

PlatSearch 90% and RobertsConsulting 10%.

Eastern Iron Projects ELs 6706, 6710, 6711, 6671, 6672, 6952-6954 and 6956-6962, NSW

PlatSearch 20% and Eastern Iron 80%. Eastern Iron will maintain an 80% interest by completing expenditure of \$2 million within four years. PlatSearch has a 20% interest, free-carried to completion of a favourable BFS

and decision to mine. At the completion of a BFS and decision to mine PlatSearch can either participate in further expenditure in proportion to its interest or convert its participating interest to a NSR royalty.

Euriowie ELs 5771, NSW

PlatSearch 32%, Western Plains Resources 60% and Eaglehawk 8%. PlatSearch can contribute with 32% or reduce to a 16% interest free-carried to completion of a BFS.

Frome EL 3019, SA

PlatSearch 10%, Allender 10% and Newcrest 80%. PlatSearch has elected to maintain a 10% interest carried via a non-recourse loan up to a decision to mine stage. At decision to mine PlatSearch can elect either to participate or convert its interest to a NSR royalty.

Hillston EL 6363, NSW

PlatSearch 80% and Eaglehawk 20%. Perilya can earn an 80% interest in this tenement by completing expenditure of \$1.5 million within four years. PlatSearch and Eaglehawk can then each participate with their respective interests of 16% and 4% or convert to a 10% and 2.5% free-carried interest to completion of a BFS. On completion of a BFS, PlatSearch and Eaglehawk can participate or convert their interests to a NSR royalty.

Hollis Tank EL 5765, NSW

PlatSearch 80% and Eaglehawk 20%. Minotaur can earn a 51% interest by spending \$1 million within three years. Minotaur can then increase its interest to 80% by spending a further \$1 million within the following two years. If Minotaur earns an 80% interest PlatSearch will have a 16% interest, free-carried to completion of a BFS, when PlatSearch/Eaglehawk can participate in the mining project with their 16% interest or dilute to a NSR royalty.

Horse Creek EPM 13304, QLD

PlatSearch 100%. Red Metal can earn a 70% interest by spending \$2.5 million within five years. Red Metal can then increase its interest to 85% by sole funding, to completion of a BFS, when PlatSearch can participate or convert its interest to a NSR royalty.

Kalability EL 3297, SA

PlatSearch 80% and Eaglehawk 20%. Crossland Uranium Mines can earn a 60% interest by spending \$500,000 within three years. The parties then will contribute to expenditure on a pro-rata basis or PlatSearch/Eaglehawk may elect to dilute to a 20% interest, free-carried to a BFS. In the event of a BFS, PlatSearch/Eaglehawk may either contribute pro-rata to development or dilute to a NSR royalty.



Klongobangee ELs 6630, 6631 and 6664, NSW

PlatSearch 100%. Minotaur Exploration may earn a 51% interest by spending \$1 million within three years. Minotaur can increase its interest to 80% by spending a further \$1 million within the following two years at which stage PlatSearch will have a 20% interest, free-carried to completion of a BFS. On completion of a BFS PlatSearch can participate with its 20% interest or dilute to a NSR royalty.

Mt Pleasant EL 6668, Monolon EL 6646 and Kanga EL 6909, NSW

PlatSearch 100%. Minotaur Exploration may earn a 51% interest by spending \$1 million on each of the above three licences within three years. Minotaur can elect to increase its interest to 80% by spending a further \$1 million within the following two years when PlatSearch will have a 20% interest, free-carried to completion of a BFS. On completion of a BFS PlatSearch can participate in the mining project with its 20% interest or dilute to a NSR royalty.

Mulyungarie EL 3478, SA

PlatSearch 80% and Eaglehawk 20%.

Mundi Plains EL 6404, NSW and Junction Dam EL 3328, SA

PlatSearch 100% of EL 6404 and PlatSearch 80% and Eaglehawk 20% of EL 3328. Teck Cominco Australia can earn a 51% interest in each licence by spending \$2 million. Teck Cominco can increase its interest to 80% by spending a further \$2 million when PlatSearch (or PlatSearch/Eaglehawk in the case of Junction Dam) can participate with a 20% interest or dilute to a NSR royalty.

Officer Basin Project, ELAs 2007/246-247 and 2007/286-287 SA

PlatSearch 50% and Crossland Uranium Mines 50%.

Poverty Lake EL 3831, SA

PlatSearch 10%, Allender 5%, Hosking 5% and Newcrest 80%. PlatSearch has elected to maintain a 10% interest carried via a non-recourse loan up to a decision to mine stage. At decision to mine PlatSearch can elect either to participate or convert its interest to a NSR royalty.

Quinyambie EL 3197, SA

PlatSearch 52.6% and Allender, Kennedy, Aurelius Resources, Hosking and Houldsworth (collectively Dolores Group 47.4%). Red Metal can earn 70% by spending \$3 million. PlatSearch can contribute with 15% or reduce to a 7.5% interest, carried to completion of a BFS and repayable from PlatSearch's share of net proceeds of mine production.

Stephens-Centennial EL 6132, NSW

PlatSearch 48%, Triako 40% and Eaglehawk 12%. Endeavour Minerals has a 1.5% NSR on any discovery in a small area of the licence.

Tringadee EL 6850 and EL 6851, NSW

PlatSearch 100%. Minotaur Exploration may earn a 51% interest by spending \$1 million within three years. Minotaur can increase its interest to 80% by spending a further \$1 million within the following two years at which stage PlatSearch will have a 20% interest, free-carried to completion of a BFS. On completion of a BFS PlatSearch can participate with its 20% interest or dilute to a NSR royalty.

Trundle EL 4512, NSW

PlatSearch holds a NSR royalty interest.

Woodlawn South ELs 5652, 6611 and 6551, NSW

PlatSearch holds a NSR royalty interest.

Zetta EL 7181 and Iron Bar ELA 3513, NSW

PlatSearch 80% and Eaglehawk 20%.



SCHEDULE OF TENEMENTS

as at 25 September 2008

Tenement	Tenement Number	Interest	Joint Venture Details
NEW SOUTH WALES			
Broken Hill			
Mundi Mundi	EL 4657	100%	-
Mundi Plains	EL 6404	100%	Teck can earn 80%
Euriowie	EL 5771	32%	WPG 60%, Eaglehawk 8%
Stephens-Centennial	EL 6132	48%	Note 1
Hollis Tank	EL 5765	80%	Minotaur can earn 80%, Eaglehawk 20%
Hillston	EL 6363	80%	Perilya can earn 80%, Eaglehawk 20%
Yanco Glen, Copper King and Ziggys	ELs 5764, 5919 and 6036	16%	BH Operations 80%, Eaglehawk 4%
Apollyon Valley, Big Aller and Mt Robe	ELs 6475, 6147 and 5646	20%	BH Operations 80%
Cymbric Vale and Cymbric Vale West	ELs 6403 and 6834	50%	Paradigm Mexico 50%
Tongo, Yantabangee and Klondyke	ELs 6630, 6631 and 6664	100%	Minotaur can earn 80%
Mt Pleasant, Monolon and Kanga	ELs 6668, 6646 and 6909	100%	Minotaur can earn 80%
Tringadee and Pirillie	ELs 6850 and 6851	100%	Minotaur can earn 80%
Callindary, Laurel, Glendara and Mulga	ELs 6723, 6721, 6720 and 6766	100%	-
Interceptor, Humungus and Gyro	ELs 6863, 6864 and 6865	100%	-
Zetta and Iron Bar	EL 7181 and ELA 3513	80%	Eaglehawk 20%
Nightrider	ELA 3514	100%	-
Cobar			
Cobar East, Coolabah West and Oakvale	ELs 6710, 6711 and 6706	20%	Eastern Iron 80%
Eastern Iron Projects	ELs 6952-6954 and 6956-6962	20%	Eastern Iron 80%
Lachlan Fold Belt			
Bimbella and Euabalong	ELs 6671 and 6672	20%	Eastern Iron 80%
Woodlawn South	ELs 5652, 6611 and 6551	0%	Royalty interest only
Trundle	EL 4512	0%	Royalty interest only
Dunmore and Tomingley	ELs 6473 and 6474	90%	RobertsConsulting 10%
Tinman	EL 7076	100%	-
New England Fold Belt			
Kempsey Porphyry	EL 6813	100%	-
Gundle	EL 6932	100%	-
QUEENSLAND			
Horse Creek	EPM 13304	100%	Red Metal can earn 70%
Lilleyvale	EPM 12115	100%	-
SOUTH AUSTRALIA			
Mirikata	EL 3537	100%	-
Callabonna	EL 3695	100%	Red Metal can earn 70%
Kalabity	EL 3297	80%	Crossland can earn 60%, Eaglehawk 20%
Mulyungarie	EL 3478	80%	Eaglehawk 20%
Junction Dam	EL 3328	80%	Teck can earn 80%, Eaglehawk 20%
Quinyambie	EL 3197	52.6%	Red Metal can earn 70%, Note 2
Coondambo	EL 3593	50%	Marathon Resources 50%
Poverty Lake (Benagerie JV)	EL 3831	10%	Newcrest 80%, Allender 5% and Hosking 5%
Frome (Benagerie JV)	EL 3952	10%	Newcrest 80%, Allender 10%
Wynbring	EL 3234	100%	-
Toolgerie, Black Hill and Yalata (Pathfinder JV)	ELs 3216, 3281 and 3280	80%	Newport can earn 60%, Bohoun Resources 20%
Officer Basin Project	ELAs 2007/246-247 and 2007/286-287	50%	Crossland 50%

EL = Exploration Licence

EPM = Exploration Permit for Minerals

ELA = Exploration Licence Application

Note 1: Triako 40%, Eaglehawk 12%, Endeavour Minerals 1.5% NSR in 4 units of EL.

Note 2: Dolores Group 47.4% (Allender, Kennedy, Aurelius Resources, Hosking and Houldsworth).

Note 3: In addition to the interests above WPG (Western Plains Resources Ltd) is currently owned 8.26% by PlatSearch and PlatSearch holds shares and options in WPG.



The Directors present their report on the consolidated entity (the Group) consisting of PlatSearch NL (PlatSearch) and the entities it controlled at the end of, or during, the year ended 30 June 2008.

Directors

The following persons hold office as Directors at the date of this report and throughout the financial year. Their qualifications and experience are:

Ray Soper, BSc (Otago), MBA (NSW), MAusIMM, *Non-Executive Chairman*

Ray Soper is a mining engineer and company director with over 41 years experience in mining operations, project development, mineral economics, investment management, strategic analysis and merchant banking. He has worked with MIM Holdings Limited, Renison Goldfields Limited, McKinsey and Co, Peko-Wallsend Ltd, Lachlan Resources Limited and Resource Finance Corporation in the fields of mining, mineral economics, mining finance, exploration, technology development and related activities. He is currently a director of Huntley Investment Company Limited. During the past three years Mr Soper was a director of the following companies: King Island Scheelite Limited, Paradigm Gold Limited, Klondike Source Limited (now Crossland Uranium Mines Limited) and e-Business Systems Ltd.

Bob Richardson, BSc (Sydney), BE (Hons) (Sydney), MAusIMM, MASEG, *Managing Director*

Bob has 43 years experience in mineral exploration management, geophysics and exploration technology. His career includes 17 years with the Peko-Wallsend Group as Chief Geophysicist and Exploration Manager. He was a founder in 1976 and Managing Director of Austirex Aerial Surveys that became a major international airborne geophysical contractor. He was a co-founder and Managing Director of Lachlan Resources NL in 1983 and PlatSearch in 1987. He is currently a non-executive Director of Western Plains Resources Ltd, Eastern Iron Limited and Crossland Uranium Mines Limited.

Robert J Waring, BEc (Sydney), CA, FCIS, FFin, MAusIMM, FAICD, *Executive Director and Company Secretary*

Company Secretary since 1990. His experience has been gained over 36 years in financial and corporate roles including 18 years in company secretarial roles for ASX listed companies and 14 years as a Director of PlatSearch. Robert has had 27 years experience in the mining industry and prior to that nine years with an international firm of chartered accountants. He is a director of Oakhill Hamilton Pty Ltd, a company which provides secretarial and corporate advisory services to a range of listed and unlisted companies.

Directors' Interests in Shares and Options

Directors' interests in shares and options as at 30 June 2008 are set out in Note 22 to the financial statements. There have been no changes in the Directors' interests in shares and options since that date, other than the purchase of an additional 100,000 ordinary shares by Mr Waring in September 2008.

Activities

The principal continuing activity of the consolidated entity is the exploration for economic base metals, iron ore, gold and heavy minerals.

Results

The net result of operations of the consolidated entity after applicable income tax expense was a profit of \$2,236,329 (2007 profit - \$4,739,804) which includes the write-off of exploration expenditure during the year of \$121,339 (2007 - \$144,752).

Dividends

No dividends were paid or proposed during the year.

Review of Operations

A review of the operations of the Group during the financial year and the results of those operations are contained in pages 3 to 11 in this report.

Corporate Structure

PlatSearch NL is a no liability company that is incorporated and domiciled in Australia. In August 2007 a wholly owned subsidiary, Bluestone 23 Limited, was incorporated. Eastern Iron Limited was a wholly owned subsidiary from the date



of incorporation in July 2007 until May 2008 when shares were issued in connection with its Australian Securities Exchange Initial Public Offering (IPO).

Employees

The Company had two employees, R L Richardson and P M Buckley, as at 30 June 2008 (2007 - two employees). The Company uses contract geologists and other consultants as required.

Risk Management

PlatSearch takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. The Company believes that it is crucial for all Board members to be a part of this process and as such the Board considers risk management at each Board meeting.

Significant Changes

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial year, other than as disclosed in this report.

Matters Subsequent to the End of the Financial Year

There were at the date of this report no matters or circumstances which have arisen since 30 June 2008 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Likely Developments and Expected Results

As the Company's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Company is hoping to identify other precious, base metal and iron ore exploration and evaluation targets.

REMUNERATION REPORT (Audited)

The Directors present the remuneration report prepared in accordance with Section 300A of the *Corporations Act 2001* for the Company and the Group for the year ended 30 June 2008. This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group. For the purposes of this report Key Management Personnel (KMP) of the Group are those persons responsible for the strategic direction and operational management of the Company.

Remuneration Philosophy

Company officers and directors are remunerated to a level consistent with the size of the Company. KMP, including Directors, may participate in the Employee Share Option Plan, which assists in the motivation and retention of KMP.

Non-Executive Directors' Fees

The current base fees, last reviewed on 1 July 2008, are \$11,550 for the Non-executive Chairman. These are within the aggregate Directors Fee Pool Limit of \$100,000 approved by shareholders at the 2007 Annual General Meeting (AGM).

Remuneration of the Non-Executive Directors

The Board, on advice from the Remuneration Committee (Messrs Soper and Richardson), determine the fees for Non-Executive Directors and remuneration packages for employees and consultants. The fees for Directors are disclosed below. The Committee seeks independent external advice and market comparisons as necessary but the Directors believe that the size of the Company makes individual salary and consultant rate negotiation more appropriate than formal remuneration policies. Remuneration levels, including participation in the Company's Employee Share Option Plan (ESOP), are set to provide reasonable compensation in line with the Company's financial resources.

Details of Key Management Personnel for the full year

Raymond J Soper	Chairman (Non-executive)
Robert L Richardson	Managing Director
Robert J Waring	Finance Director (Executive)



Employment Contracts

Mr Richardson is the only Director who is an employee and his 12-month employment contract took effect on 1 July 2008 which replaced his employment contract which took effect on 1 July 2007. The contract sets out base rates and one month's notice is required for termination and there are no termination benefits. There are no contracts in place which provide for any variable remuneration, including bonuses or commissions from the Company. Mr Waring provides consulting management, accounting and company secretarial services through Warinco Services Pty Limited under a 12-month contract with one month's notice required for termination. There is no service agreement in place for the Non-executive Chairman.

(a) Directors' remuneration

The following table outlines the nature and amount of the elements of the remuneration of specified Directors of the Company for the year ended 30 June 2008.

		Short Term		Post	Share-based	
	Salary	Directors' Fees	Consulting Fees	Employment Superannuation Contributions	Payment Options	Total
2008	\$	\$	\$	\$	\$	\$
R L Richardson	88,608	-	-	70,000	-	158,608
R J Soper	-	11,000	-	-	-	11,000
R J Waring	-	-	94,003	-	-	94,003
	88,608	11,000	94,003	70,000	-	263,611
2007	\$	\$	\$	\$	\$	\$
R L Richardson	86,368	-	-	70,000	116,600	272,968
R J Soper	-	10,000	-	-	29,700	39,700
R J Waring	-	-	72,105	-	88,000	160,105
	86,368	10,000	72,105	70,000	234,300	472,773

There are no variable remuneration short term or long term incentive payments in this remuneration (no performance related element of remuneration).

Compensation Options: Granted and vested during the year (Consolidated)

There were no ESOP options granted, exercised or lapsed during the current year.

During the 2007 financial year the following ESOP options were granted. All vested at the date of grant being 21 November 2006. The options are for a period of five years, expire on 27 November 2011 and are exercisable at \$0.14 and were issued to Robert L Richardson (1,060,000), Robert J Waring (800,000) and Raymond J Soper (270,000). The fair value per option at grant date was \$0.11.

(b) Key Management Personnel remuneration, shares and options

Other than Directors, there are no other officers who satisfy the definition of "Key Management Personnel" who are or were involved in, concerned with, or who take part in, the management of the affairs of PlatSearch.

The Company has established an Employee Share Option Plan for the benefit of Directors, officers, senior executives and consultants, details of which are set out below.

There is no retirement scheme for Non-Executive Directors.

Directors' Benefits, Emoluments and Share Options

During its annual budget review the Board reviews the Directors' Emoluments. Remuneration levels, including participation in the Company's ESOP, are set to provide reasonable compensation in line with the Company's limited financial resources. During the year no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in Note 22 of the financial statements) by reason of a contract made by the Company or a



related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

There were no options granted to Directors in the current year.

Due to the difficulty in the measurement of performance using quantitative indicators in the mineral exploration industry, there is no formal link between assessment of performance and remuneration levels.

Share options

Particulars of options granted over unissued shares:

- i) There were 60,000 shares issued during the year ended 30 June 2008 by virtue of the exercise of options (2007 – nil) by an optionholder under the Company's ESOP at an exercise price of 14 cents.
- ii) As at the date of this report, the Company had on issue a total of 5,960,000 options issued under its Employee Share Option Plan as follows:
 - 3,380,000 options over unissued shares exercisable by 24 November 2009 at \$0.25 per share;
 - 2,280,000 options over unissued shares exercisable by 27 November 2011 at \$0.14 issued in December 2006.
 - 300,000 options over unissued shares exercisable by 28 May 2012 at \$0.18 were issued in June 2007.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company until the options are exercised. These options vest six months after the issue date and do not have performance conditions attached.

Meetings of Directors

During the year the Company's Directors held seven Board meetings. Messrs R J Soper, R L Richardson and R J Waring were in attendance at all of the meetings.

Directors Messrs R J Soper and R L Richardson are members of the Company's Audit Committee. The Committee reviews the Company's financial systems, accounting policies, half-year and annual financial statements. There were two Audit Committee meetings during the year. Messrs Soper and Richardson attended both meetings and met with the Company's auditors twice during the year as part of the Audit Committee review function. Messrs Soper and Richardson are also members of the Company's Remuneration and Nomination Committee, which met once during the year.

Indemnification and Insurance of Directors and Officers

The Company has not, either during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Environmental Performance

PlatSearch holds exploration licences issued by the Mines Departments of various state governments which specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the various Mines Departments' guidelines and standards. There have been no significant known breaches of the licence conditions.

Auditor's Independence and Non-Audit Services

No non-audit services were provided by the Company's auditor, Ernst & Young. The Directors received a declaration of independence from the auditors of PlatSearch NL. It is located on page 50 and forms part of this report.

Signed at Sydney this 30th day of September 2008 in accordance with a resolution of the Directors.

R L Richardson
Managing Director

INCOME STATEMENT

for the year ended 30 June 2008



	Note	Consolidated 2008	Parent 2008	Parent 2007
		\$	\$	\$
REVENUE AND OTHER INCOME	3	4,109,522	2,155,388	4,856,490
Salaries and employee benefits expense net of salaries and on costs recharged to exploration projects		(78,399)	(77,268)	-
Superannuation		(80,692)	(80,692)	(74,737)
Depreciation expense	14	(6,104)	(6,104)	(3,691)
Directors' fees	22	(11,000)	(11,000)	(10,000)
Exploration expenditure written-off	15	(121,339)	(121,339)	(144,752)
Operating lease rental expense		(39,859)	(39,859)	(36,078)
Auditors' remuneration	5	(61,479)	(61,479)	(24,000)
ASX and ASIC fees		(50,391)	(20,518)	(21,082)
Share registry costs		(17,323)	(11,480)	(15,630)
Contract administration services		(232,591)	(149,575)	(81,553)
Share-based compensation		(37,944)	(37,944)	(259,956)
Other expenses from ordinary activities		(93,255)	(77,960)	-
Share of net losses of associate accounted for by the equity method	9	(11,148)	-	(28,366)
PROFIT BEFORE INCOME TAX		3,267,666	1,460,170	4,156,645
INCOME TAX BENEFIT/(EXPENSE)	4	(1,031,337)	(327,247)	583,159
PROFIT AFTER TAX		2,236,329	1,132,923	4,739,804
NET PROFIT ATTRIBUTABLE TO MEMBERS OF PLATSEARCH NL		2,236,329	1,132,923	4,739,804

Earnings per share

Basic profit per share (cents per share)	21	2.8	6.2
Diluted profit per share (cents per share)	21	2.7	6.0



BALANCE SHEET

as at 30 June 2008

	Note	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	6	743,767	687,980	1,194,382
Receivables	7	44,723	44,668	25,074
TOTAL CURRENT ASSETS		788,490	732,648	1,219,456
NON-CURRENT ASSETS				
Investments	8	7,952,750	7,863,750	8,518,750
Investment in associates	9	2,259,444	430,090	-
Investment in subsidiaries	10	-	5,000	-
Derivative financial instruments	11	6,668,208	6,587,908	4,793,500
Receivables	12	-	185,000	-
Tenement security deposits	13	115,500	115,500	135,500
Plant and equipment	14	8,702	8,702	11,946
Deferred exploration and evaluation expenditure	15	582,516	582,516	664,637
TOTAL NON-CURRENT ASSETS		17,587,120	15,778,466	14,124,333
TOTAL ASSETS		18,375,610	16,511,114	15,343,789
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	16	73,091	73,091	108,423
Provisions	17	6,146	6,146	-
TOTAL CURRENT LIABILITIES		79,237	79,237	108,423
NON-CURRENT LIABILITIES				
Deferred tax liabilities	4	2,646,398	1,925,058	1,795,814
TOTAL NON-CURRENT LIABILITIES		2,646,398	1,925,058	1,795,814
TOTAL LIABILITIES		2,725,635	2,004,295	1,904,237
NET ASSETS		15,649,975	14,506,819	13,439,552
EQUITY				
Contributed equity	18	9,710,609	9,710,609	9,345,609
Reserves	20	5,968,417	5,928,667	6,359,323
Retained earnings/(accumulated losses)		(29,051)	(1,132,457)	(2,265,380)
TOTAL EQUITY		15,649,975	14,506,819	13,439,552

CASH FLOW STATEMENT

for the year ended 30 June 2008



	Note	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Payment to suppliers and employees		(721,133)	(734,025)	(270,901)
Consultancy fees		152,476	175,139	18,386
Interest received		57,899	46,341	29,604
Rental income		10,500	14,500	15,000
NET CASH FLOWS USED IN OPERATING ACTIVITIES	29	(500,258)	(498,045)	(207,911)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of plant and equipment		(2,860)	(2,860)	(13,899)
Expenditure on mining interests (exploration)		(88,807)	(88,807)	(404,448)
Purchase of shares – investments		(237,090)	(110,090)	(35,000)
Tenement security deposits (paid)/recovered		20,000	20,000	(25,000)
Loans (to)/from subsidiary		-	(185,000)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(308,757)	(366,757)	(478,347)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares		358,400	358,400	1,700,000
Payment of share issue costs		-	-	(30,937)
NET CASH FLOWS FROM FINANCING ACTIVITIES		358,400	358,400	1,669,063
NET INCREASE IN CASH AND CASH EQUIVALENTS				
		(450,615)	(506,402)	982,805
Cash and cash equivalents at beginning of period		1,194,382	1,194,382	211,577
CASH AND CASH EQUIVALENTS AT END OF PERIOD		743,767	687,980	1,194,382



STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2008

		Attributable to the shareholders of PlatSearch NL			
		Contributed Equity	Retained Earnings/ (Losses)	Reserves	Total Equity
	Note	\$	\$	\$	\$
CONSOLIDATED					
AT 1 JULY 2007		9,345,609	(2,265,380)	6,359,323	13,439,552
Change in fair value of investments available for sale (net of tax)	20	-	-	(422,250)	(422,250)
Profit for the period		-	2,236,329	-	2,236,329
Total recognised income and expense for the year		-	2,236,329	(422,250)	1,814,079
Issue of share capital	18	358,400	-	-	358,400
Share-based payments	19	-	-	37,944	37,944
Transfer from share-based payment reserve		6,600	-	(6,600)	-
AT 30 JUNE 2008		9,710,609	(29,051)	5,968,417	15,649,975
PARENT					
AT 30 JUNE 2006		7,676,546	(7,005,184)	558,429	1,229,791
Change in fair value of investments available for sale (net of tax) – as restated		-	-	5,283,538	5,283,538
Profit for the period – as restated		-	4,739,804	-	4,739,804
Total recognised income and expense for the year		-	4,739,804	5,283,538	10,023,342
Issue of share capital	18	1,700,000	-	-	1,700,000
Share issue costs recognised directly in equity	18	(30,937)	-	-	(30,937)
Share-based payments		-	-	517,356	517,356
AT 30 JUNE 2007 – as restated		9,345,609	(2,265,380)	6,359,323	13,439,552
AT 1 JULY 2007 – as restated		9,345,609	(2,265,380)	6,359,323	13,439,552
Change in fair value of investments available for sale (net of tax)	20	-	-	(462,000)	(462,000)
Profit for the period		-	1,132,923	-	1,132,923
Total recognised income and expense for the year		-	1,132,923	(462,000)	670,923
Issue of share capital	18	358,400	-	-	358,400
Share-based payments	19	-	-	37,944	37,944
Transfer from share-based payment reserve	18	6,600	-	(6,600)	-
AT 30 JUNE 2008		9,710,609	(1,132,457)	5,928,667	14,506,819

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



1. CORPORATE INFORMATION

The financial report of PlatSearch NL (the Company or PlatSearch) for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the Directors on 30 September 2008.

PlatSearch NL (the parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange under ASX Code PTS.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. It has been prepared on a historical cost basis except for investments in listed shares and derivative financial instruments, which are measured at fair value.

Adjustments to previously published financial statements

The comparatives as at 30 June 2007 have been restated to account for the Group's interests in share options as a derivative financial asset in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. The share options have been brought to account at fair value with fair value variations brought to account through profit and loss. The impact of the restatement is to reduce the accumulated losses and reserves at 30 June 2007 and increase the profit for the year ended 30 June 2007 by a net \$3,355,450. The gross gain on options in the Income Statement was \$4,793,500; resulting in an income tax expense of \$1,438,050 and a restatement of basic and diluted earnings per share of \$0.04.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

As at 30 June 2008, a number of accounting standards have been issued with applicable commencement dates subsequent to the year end. The expected impact of these accounting standards should not materially alter the accounting policies of PlatSearch NL and its controlled entities at the date of this report.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of PlatSearch NL (PlatSearch or the Company) and its subsidiaries (collectively, the Group) as at 30 June each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(d) Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell) all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of the business combination over the fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. This discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(e) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, if any.

(f) Trade and other receivables

Trade receivables, which generally have a 30 day term, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(g) Exploration, evaluation, development and restoration costs

Exploration and evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration and evaluation - impairment

The Group assesses at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation costs whether the above carry forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Income Statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis.

Provisions are made where farm-in partners are sought and there is a possibility that carried-forward expenditures may have to be written off in the future if a farm-in partner is not found. In the event that farm-in agreements are

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



reached or the Company undertakes further exploration in its own right on those properties, the provisions would be reviewed and if appropriate, written back.

Development

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration

Provisions for restoration costs are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) Investments and other financial assets

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, or available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and derecognition

All regular way purchases and sales of financial assets are recognised on the trade date ie the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the balance sheet.

(ii) Loans and receivables

Loans and receivables including loan notes and loans to KMP are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

(iii) Available for sale securities

Available for sale investments are those non-derivative financial assets, principally equity securities, that are designated as available for sale or are not classified as any of the three preceding categories. After initial recognition available for sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transaction; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

Investments in associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements and at cost in the parent. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, investments in the associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payment on behalf of the associate.

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

(i) Interest in jointly controlled operations – joint ventures

The Group has an interest in exploration joint ventures that are jointly controlled. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in the jointly controlled operations by recognising the assets that it controls and the liabilities that it incurs. The Group also recognises the expenses that it incurs and its share of any income that it earns from the sale of goods or services by the jointly controlled operations.

(j) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, namely plant and equipment – depreciated over three years (2007 – 3 years).

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(k) Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(l) Goodwill and intangibles

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the fair value of the acquirer's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangibles

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense will be taken to the income statement.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite life intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

(m) Trade and other payables and provisions

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Borrowing costs

Borrowing costs are recognised as an expense when incurred.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

(o) Employee entitlements

(i) *Wages, salaries, annual leave, sick leave and long service leave*

Liabilities for wages and salaries are recognised and are measured as an amount unpaid at the reporting date at current pay rates in respect of employee's services up to that date. One of the two current employees is not entitled to annual leave, sick leave or long service leave.

(ii) *Superannuation*

The Company contributes to defined contribution superannuation funds for its employees. The cost of these contributions is expensed as incurred. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date.

(p) Share-based payment transactions

In addition to salaries, the Group provides benefits to certain employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

There is currently an Employee Share Option Plan in place to provide these benefits.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Black-Scholes option pricing model.

In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately. However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and the new award are treated as if there was a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

(q) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Rendering of services

Revenue from consulting services are recognised when provided.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



Interest

Revenue is recognised as interest accrues using the effective interest method.

Royalties

Royalties are recognised in accordance with substance of the relevant agreement.

Contract exploration

Contract exploration revenue (consulting fees) earned from third parties is recognised when rights to receive the revenue are assured.

(r) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(s) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financial activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Currency

The functional and presentation currency for the Group is Australian dollars (\$).

(u) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(v) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use.

(x) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period is:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



Share-based payment transactions

The Company measures the cost of equity-settled share-based payments at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted, as detailed in Notes 18 and 19.

Derivative financial instruments

The Company values its equity in the form of options in listed public companies using the Binomial method of valuation methodology taking into account the terms and conditions on which the instruments are granted as detailed in Note 11. The net gain or loss for the period is brought to account in the Income Statement.

Capitalisation and write-off of capitalised exploration costs

The determination of when to capitalise and write-off exploration expenditure requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions.

(y) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Group, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the Group, adjusted for:

- costs of servicing equity;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
3. REVENUE AND OTHER INCOME			
Revenue			
Interest received – other persons/corporations	57,899	46,341	29,604
Consulting fees	152,476	175,139	18,386
Rental income	10,500	14,500	15,000
Other Income			
Gain on options	1,869,708	1,789,408	4,793,500
Gain on deconsolidation of Eastern Iron Limited	2,018,939	-	-
Gain on sale of tenements	-	130,000	-
	4,109,522	2,155,388	4,856,490



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
4. INCOME TAX			
Income tax expense			
The major components of income tax expense are:			
<i>Current income tax</i>			
Current income tax benefit	(202,732)	(202,732)	-
<i>Deferred income tax</i>			
Relating to origination and reversal of temporary differences	1,234,069	529,979	(583,159)
Income tax expense/(benefit) reported in the Income Statement	1,031,337	327,247	(583,159)
Amounts charged or credited directly to equity			
Deferred income tax related to items charged directly to equity (see Note 20).			
Unrealised gain on available for sale investments	(180,753)	(198,003)	2,378,973
Income tax expense/(benefit) reported in equity	(180,753)	(198,003)	2,378,973
Reconciliation			
Prima facie income tax expense on operating profit at 30%	980,300	438,051	1,246,994
(Non-assessable income) / non-deductible expenses	51,037	(110,804)	85,885
Net tax losses now booked not previously booked	-	-	(1,916,038)
Income tax expense/(benefit)	1,031,337	327,247	(583,159)
Recognised deferred tax assets and liabilities			
	Consolidated 2008 deferred income tax	Parent 2008 deferred income tax	Parent 2007 deferred income tax
Opening balance	1,795,814	1,795,814	-
Charged to income	1,031,337	327,247	(583,159)
Charged to equity	(180,753)	(198,003)	2,378,973
Closing balance	2,646,398	1,925,058	1,795,814
Tax expense/(benefit) in the Income Statement	1,031,337	327,247	(583,159)
Amounts recognised in the Balance Sheet			
Deferred tax asset	2,432,930	2,432,930	2,220,600
Deferred tax liability	(5,079,328)	(4,357,988)	(4,016,414)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



Deferred income tax at 30 June relates to the following:

	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
<i>(i) Deferred tax liabilities</i>			
Derivatives	2,000,462	1,976,372	1,438,050
Available for sale investments	2,195,223	2,177,973	2,378,973
Capitalised exploration	174,755	174,755	199,391
Equity accounted investment	680,000	-	-
Other	28,888	28,888	-
Gross deferred tax liabilities	5,079,328	4,357,988	4,016,414
<i>(ii) Deferred tax assets</i>			
Carry-forward tax losses	2,423,330	2,423,330	2,220,600
Provisions	9,600	9,600	-
Gross deferred tax assets	2,432,930	2,432,930	2,220,600
Net deferred tax liabilities	2,646,398	1,925,058	1,795,814

Recognition has been given to a deferred income tax asset of \$2,423,330 (2007 - \$2,220,600) which arose from the available tax losses.

No franking credits are available for subsequent years.

Tax consolidation

PlatSearch NL and its 100% owned subsidiaries formed a tax consolidated group with effect from 1 November 2007. PlatSearch NL is the head entity of the tax consolidated group. Members of the Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote. At the time that loss of control was lost over Eastern Iron (see Note 9), this was no longer included in the tax consolidated group.

5. AUDITORS' REMUNERATION

Amounts received or due and receivable by Ernst & Young Australia, for:

Audit or review of the financial report of the entity	61,479	61,479	24,000
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6. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	243,767	187,980	170,436
Short-term deposits	500,000	500,000	1,023,946
Refer Note 29	743,767	687,980	1,194,382

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represents fair value.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
7. RECEIVABLES – CURRENT			
Amount receivable from Eastern Iron Limited	27,957	27,957	-
Other receivables	16,766	16,711	25,074
	44,723	44,668	25,074

Receivables are non-interest bearing and generally 30 day terms and trading terms are being followed by debtors and there are no overdue amounts. An allowance for impairment loss is recognised when there is objective evidence that it is impaired. No allowance for impairment loss is required. The amounts not past due have been assessed to be of good quality.

8. INVESTMENTS

Investment – available for sale – WPG (a)	7,713,750	7,713,750	8,351,250
Investment – available for sale – CHZ (b)	145,000	145,000	167,500
Investment – available for sale – NMN (c)	91,000	2,000	-
Investment – available for sale – SCI (d)	3,000	3,000	-
	7,952,750	7,863,750	8,518,750

- (a) Western Plains Resources Ltd (WPG) ceased to be an associated company of PlatSearch on 15 September 2006 when WPG carried out a placement of 3,833,000 shares and PlatSearch's interest in WPG was reduced below 20%. The 24.8% share of WPG's net losses for the period 1 July 2006 to 15 September 2006 amounted to \$28,366. Following the issue of shares by WPG to acquire Southern Iron Pty Ltd and further share issues to raise additional funds, the PlatSearch interest in WPG was reduced to 10% in November 2006 and since that date has reduced to 8.0% following further share issues by WPG.

In accordance with Australian Accounting Standard AASB 139 the interest in WPG is now an "available for sale" asset carried at fair value with revaluation/devaluation taken directly to equity reserve.

Interest in (former) Associate Name	Balance date	Ownership interest held	
		2008 %	2007 %
Western Plains Resources Ltd – ordinary shares	30 June	8.0	8.8
(i) Principal activity WPG is an Australian minerals explorer		2008 \$	2007 \$
(ii) Share of associate's loss for period (1 July to 15 September 2006) Share of associate's - net loss before income tax - income tax expense attributable Share of associate's net loss			(28,366) - <u>(28,366)</u>
(iii) Carrying amount of investment Balance at the beginning of the financial period - share of associate's net loss - purchase of shares in WPG		8,351,250 - -	592,205 (28,366) 5,000
		8,351,250	568,839
Fair value uplift/(devaluation)		(637,500)	7,782,411
		7,713,750	8,351,250

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



- (iv) The market value on ASX of PlatSearch's 6,375,000 shares in Western Plains Resources Ltd at 30 June 2008 was \$7,713,750 (\$1.21 per share) and on 19 September 2008 it was \$3,697,500 (\$0.58 per share).
- (b) In March 2007 the Company purchased 500,000 shares in Chesser Resources Limited (CHZ) for \$30,000. The market value on ASX of PlatSearch's shares in CHZ at 30 June 2008 was \$145,000 (\$0.29 per share) and on 19 September 2008 was \$85,000 (\$0.17 per share). Of these CHZ shares, 350,000 were subject to an ASX imposed escrow for one year until 3 April 2008.
- (c) In December 2007 the Group purchased 500,000 shares and options in Newport Mining Limited (NMN) for \$30,000. The market value on ASX of the Group's shares in NMN at 30 June 2008 was \$91,000 (\$0.175 per share) and on 19 September 2008 was \$77,500 (\$0.155 per share). Of these NMN shares, 350,000 are subject to an ASX imposed escrow for one year until 19 December 2008.
- (d) In May 2008 the Group purchased 30,000 shares in Silver City Mining (SCI) for \$3,000. The shares and options were recorded at cost at the year end as these shares were not listed on ASX and therefore the fair value could not be reliably estimated.

Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
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9. INVESTMENT IN ASSOCIATES

Investment accounted for using the equity method	<u>2,259,444</u>	<u>430,090</u>	-
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In July 2007 Eastern Iron Limited (EFE) was incorporated with PlatSearch as its sole shareholder. In the period July 2007 to January 2008 the Group acquired 21,000,000 shares and 5,000,000 options in EFE for \$535,090 (made up of a cash investment of \$200,090 and consideration for the sale of 15 tenements of \$335,000). This equity purchase was part of a capital raising programme by EFE which culminated in EFE issuing a prospectus, issuing 25,000,000 new shares and trading on ASX in May 2008. At completion of the EFE share offer in May 2008 and at 30 June 2008, the PlatSearch Group had a 45.65% interest in EFE, diluted from the previous 100% ownership at 31 December 2007.

The Group's interest in EFE has been brought to account as an investment in an equity accounted associate in accordance with Australian Accounting Standard AASB 128 *Investments in Associates* as the Directors consider that significant influence exists. Prior to the loss of control of EFE it was consolidated into the Group.

Interest in Associate Name	Balance Date	Ownership interest held 2008 %
Eastern Iron Limited – ordinary shares	30 June	45.65
(i) Principal activity EFE is an Australian minerals explorer		2008 \$
(ii) Share of associate's profits/(losses) Share of associate's:		
- net loss before income tax – May and June 2008		(11,148)
- income tax expense attributable to net profit		-
Share of net profits after income tax		<u>(11,148)</u>

The Company's share in any retained profits or reserves of the associated company are not available to PlatSearch until such time as those profits and reserves are distributed by the associated company.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

2008

\$

(iii)	Carrying amount of investment in associate	
	Balance at the beginning of the financial period	-
	- cost of investment	530,090
	- share of associate's net losses for the financial period	(11,148)
	- uplift in value of the associate arising from the share issue by the associate	1,740,502
	Carrying amount of investment in associate at the end of the financial period	<u>2,259,444</u>
(iv)	Share of associate's assets and liabilities	
	Current assets	2,002,345
	Non-current assets	281,640
	Current liabilities	(24,541)
	Net assets	<u>2,259,444</u>
(v)	Accumulated losses of the Company attributable to associate	
	Balance at the beginning of the financial period	-
	Share of associate's net losses	(11,148)
	Balance at the end of the financial period	<u>(11,148)</u>
(vi)	The market value on ASX of the PlatSearch Group's 21,000,000 shares in EFE at 30 June 2008 was \$9,030,000 (\$0.43 per share) and on 19 September 2008 it was \$3,780,000 (\$0.18 per share).	

In the months of July and December 2007 the Group acquired 10,000,000 shares in Eastern Iron Limited (EFE) for \$200,090. This equity purchase was to fund the corporate costs and proposed exploration on the 80% interest in 15 exploration licences that were acquired by EFE from PlatSearch on 30 January 2008. The consideration for the purchase of the interest in the tenements was the issue of an additional 11,000,000 EFE shares to PlatSearch. On 11 March 2008 EFE lodged a Prospectus with ASIC for the issue of up to 25,000,000 new shares. At completion of the EFE share offer on 6 May 2008, which was fully subscribed, PlatSearch had 21,000,000 shares which represents a 45.65% undiluted interest in EFE. EFE commenced trading on ASX on 16 May 2008. In addition PlatSearch holds 5,000,000 options in EFE.

10. INVESTMENT IN SUBSIDIARIES

At 30 June 2008 the Company had one subsidiary, Bluestone 23 Limited (incorporated on 31 August 2007).

In August 2007 the Company acquired 50,000 shares in Bluestone 23 Limited (Bluestone) for \$5,000. At 30 June 2008 PlatSearch's investment represented a 100% interest in Bluestone.

At 30 June 2008 the Company's interest in Bluestone was consolidated in accordance with Note 2(c).

	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
11. DERIVATIVE FINANCIAL INSTRUMENTS			
Share options – WPG (a)	4,555,708	4,555,708	4,793,500
Share options – CHZ (b)	343,200	343,200	-
Share options – EFE (c)	1,689,000	1,689,000	-
Share options – NMN (d)	80,300	-	-
	<u>6,668,208</u>	<u>6,587,908</u>	<u>4,793,500</u>

(a) PlatSearch holds 3,475,000 options in WPG with an exercise price of \$0.35 (expiry date 28 September 2009) and 1,375,000 options in WPG with an exercise price of \$0.25 (expiry date 28 September 2009). A valuation of these

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



options has been obtained using the Binomial valuation methodology model and the following assumptions: expected volatility of 94.56%, risk-free interest rate of 6.83%, dividend yield nil and an option life of 1.24 years. This results in a fair value of \$4,555,708 at 30 June 2008.

- (b) As part of the Wynbring joint venture agreement with CHZ, PlatSearch holds 2 million options with an exercise price of \$0.35 and an expiry date of 29 May 2011. A valuation of these options has been obtained using the Binomial valuation methodology model and the following assumptions: expected volatility of 96.44%, risk-free interest rate of 6.70%, dividend yield nil and an option life of 2.91 years. This results in a fair value of \$343,200 at 30 June 2008. PlatSearch's options in CHZ were subject to an ASX imposed escrow for one year until 3 April 2008.
- (c) PlatSearch holds 5,000,000 options in EFE with an exercise price of \$0.35 (expiry date 19 December 2012). A valuation of these options has been obtained using the Binomial valuation methodology model and the following assumptions: expected volatility of 102%, risk-free interest rate of 6.71%, dividend yield nil and an option life of 4.47 years. This results in a fair value of \$1,689,000 at 30 June 2008.
- (d) As part of the Pathfinder joint venture agreement with NMN, PlatSearch subsidiary Bluestone 23 holds 1 million options with an exercise price of \$0.35 and an expiry date of 31 December 2011. A valuation of these options has been obtained using the Binomial valuation methodology model and the following assumptions: expected volatility of 82.81%, risk-free interest rate of 6.70%, dividend yield nil and an option life of 3.5 years. This results in a fair value of \$80,300 at 30 June 2008. PlatSearch Group's options in NMN are subject to an ASX imposed escrow for one year until 19 December 2008.

The fair value of share prices are as identified in Notes 8 and 9.

	Consolidated 2008	Parent 2008	Parent 2007
	\$	\$	\$

12. RECEIVABLES – NON-CURRENT

Amount receivable from Bluestone 23 Limited	-	185,000	-
	-	185,000	-

13. TENEMENT SECURITY DEPOSITS

Cash at bank – bank deposits	10,000	10,000	30,000
Cash with government mines departments	105,500	105,500	105,500
	115,500	115,500	135,500

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 25). The bank deposits are interest earning.

14. PLANT AND EQUIPMENT

Plant and equipment – at cost	74,320	74,320	71,460
Accumulated depreciation	(65,618)	(65,618)	(59,514)
	8,702	8,702	11,946

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year

Carrying amount at beginning	11,946	11,946	1,738
Additions	2,860	2,860	13,899
Disposals	-	-	-
Depreciation expense	(6,104)	(6,104)	(3,691)
	8,702	8,702	11,946



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
15. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE			
Costs brought forward	664,637	664,637	352,249
Costs incurred during the year	244,218	244,218	457,140
Tenements sold during the year	(205,000)	(205,000)	-
Expenditure written off during the year	(121,339)	(121,339)	(144,752)
Costs carried forward	582,516	582,516	664,637
Exploration expenditure costs carried forward are made up of:			
Expenditure on joint venture areas	420,293	420,293	481,542
Expenditure on non joint venture areas	162,223	162,223	183,095
Costs carried forward	582,516	582,516	664,637

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 2(g). The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

In accordance with Note 2(g), the Directors write off exploration expenditure where they assess that the asset is impaired.

16. CURRENT LIABILITIES – PAYABLES

Trade creditors *	53,932	53,932	89,941
Employee entitlements – accrued salaries and superannuation	19,159	19,159	18,482
	73,091	73,091	108,423

* Trade payables are non-interest bearing and are generally settled on 30 day terms.

17. CURRENT LIABILITIES – PROVISIONS

Annual Leave	6,146	6,146	-
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Annual leave is accrued for all permanent eligible employees and provided for based on current salaries.

18. CONTRIBUTED EQUITY

Share capital

87,911,392 ordinary shares fully paid (2007 – 79,101,392)	9,706,109	9,706,109	8,641,109
450,000 ordinary shares paid to \$0.01 with \$0.24 unpaid (2007 – 450,000)	4,500	4,500	4,500
8,750,000 ordinary shares paid to \$0.08 with \$0.04 unpaid	-	-	700,000
	9,710,609	9,710,609	9,345,609

Annual leave is accrued by all permanent eligible employees and provided for based on current salaries.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



Movements in ordinary share capital	Date	Number of fully paid shares	Issue price	\$
Opening balance previous financial year	30/06/06	70,768,059		7,676,546
Placement of shares paid to \$0.04, \$0.08 payable	28/09/06		\$0.04	350,000
Placement	06/02/07	5,000,000	\$0.12	600,000
Less: Transaction costs arising on share issues				(30,937)
Share purchase plan	13/03/07	3,333,333	\$0.12	400,000
Placement of shares paid to \$0.08, \$0.04 payable	27/06/07		\$0.04	350,000
Balance at end of previous financial year	30/06/07	79,101,392		9,345,609
Exercise of employee options	06/07/07	60,000	\$0.14	8,400
Transfer from share-based payment reserve	06/07/07			6,600
Payment of partly paid shares	30/06/08	8,750,000	\$0.04	350,000
Balance at end of current financial year	30/06/08	87,911,392		9,710,609

Shares issued during the year

In September 2006 the Company issued 8,750,000 ordinary shares paid to \$0.04, with \$0.08 unpaid. In June 2007 an additional \$0.04 was paid on these shares, with the balance of \$0.04 paid in June 2008. In July 2007 the Company issued 60,000 ordinary shares following the exercise of 60,000 options at \$0.14 per share to raise \$8,400.

Terms and conditions of contributed equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

In respect to members who hold shares which are paid to \$0.01, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. The shares were issued under the Platinum Search Share Incentive Plan, which was replaced by the PlatSearch Employee Share Option Plan on 25 November 1993. The unpaid portion can be called by the Directors at any time, subject to the rules of the Plan. Option holders have no voting rights until the options are exercised.

Options

There are 5,960,000 options outstanding under the Company's Employee Share Option Plan, all of which vested on issue except for the 300,000 issued in June 2007 which vested in January 2008. There were 3,380,000 options issued in December 2004 which expire on 24 November 2009, exercisable at \$0.25. There were 2,280,000 options issued in December 2006 which expire on 27 November 2011, exercisable at \$0.14. There were 300,000 options issued in June 2007 which expire on 28 May 2012, exercisable at \$0.18. Options expire if not exercised 90 days after a participant resigns from the Company. The Plan is open to employees, consultants, contractors and Directors of PlatSearch.

19. SHARE-BASED PAYMENTS

In June 2007 the Exploration Manager was issued with 300,000 options with an exercise price of \$0.18 and expiry date of 28 May 2012; the options vested on 9 January 2008. The issue was based on a five day average market share price at the time of issue of \$0.14. The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted determined by using the Black-Scholes option valuation methodology model and the following assumptions: expected volatility of 104.79%, risk-free interest rate of 6.38%, dividend yield nil and an expected life of 5 years. The estimated fair value of each option at the date of grant was \$0.135 per option (total value of 300,000 options \$40,500). The charge for the previous year amounted to \$2,556 and the balance of \$37,944 is charged in the current year.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

During July 2007 a holder of options under the Company's Employee Share Option Plan exercised 60,000 options at \$0.14 per option for an amount of \$8,400. These options had been issued in November 2006 and a share based compensation expense of \$6,600 was recognised at that time. The share price on the date they were exercised was \$0.23.

There were no options which lapsed during the year.

Outstanding options at 30 June 2006	3,950,000
Expired during the year	(570,000)
Granted during the year	<u>2,640,000</u>
Balance at 30 June 2007	6,020,000
Exercised during the year	<u>(60,000)</u>
Balance at 30 June 2008	<u>5,960,000</u>

The outstanding balance at 30 June 2008 is represented by:

- 3,380,000 which expire on 24 November 2009 exercisable at \$0.25 per share;
- 2,280,000 which expire on 27 November 2011 exercisable at \$0.14 per share; and
- 300,000 which expire on 28 May 2012 exercisable at \$0.18 per share.

	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
Share-based compensation reserve	373,468	373,468	342,124
Investment revaluation reserve	<u>5,594,949</u>	<u>5,555,199</u>	<u>6,017,199</u>
	<u>5,968,417</u>	<u>5,928,667</u>	<u>6,359,323</u>

The share-based compensation reserve arises from the valuation of the options issued as referred to in Note 19.

The investment revaluation reserve arises in connection with the investments as referred to in Note 8.

Share-based compensation reserve (i)

Balance at the beginning of financial year	342,124	342,124	82,168
Share-based payment expense	37,944	37,944	259,956
Transfer to share capital (options exercised)	<u>(6,600)</u>	<u>(6,600)</u>	-
Balance at end of financial year	<u>373,468</u>	<u>373,468</u>	<u>342,124</u>

Investment revaluation reserve (ii)

Balance at the beginning of financial year	6,017,199	6,017,199	476,261
Change in fair value of investments available for sale (net of tax)	<u>(422,250)</u>	<u>(462,000)</u>	<u>5,540,938</u>
Balance at end of financial year	<u>5,594,949</u>	<u>5,555,199</u>	<u>6,017,199</u>

(i) Share-based compensation reserve

The share-based compensation reserve is used to recognise the fair value of options issued but not exercised as described in Note 2(p).

(ii) Investment revaluation reserve

The investment revaluation reserve arises in connection with the accounting for investments as per Notes 8 and 9.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



21. EARNINGS PER SHARE

Earnings per share (cents per share) 2.8 cents (2007 – 6.2 cents).

Diluted profit per share (cents per share) 2.7 cents (2007 – 6.0 cents).

Weighted average number of ordinary shares on issue used in the calculation of basic and diluted profit per share is 79,160,406 (2007 – 75,975,557).

	Consolidated 2008 \$	Parent 2007 \$
Profit used in calculating basic and diluted earnings per share	<u>2,236,329</u>	<u>4,739,804</u>

The number of potential ordinary shares that are dilutive and included in determining diluted EPS are 2,580,000 (2007 – 6,020,000) relating to share options issued.

Conversion, call, subscription or issue after 30 June 2008: Since the end of the financial year there have been no other conversions to, call of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of these financial statements.

22. RELATED PARTY DISCLOSURES

(a) Key Management Personnel remuneration, shares and options

Key management personnel

The Company's key management personnel are listed in the Remuneration Report; under the definition contained in AASB 124 *Related Party Disclosures*, the Company has no executives other than those included in the list of Directors who are responsible for the strategic direction and operational management of the Company. In addition to the specified Directors, the Company has no employees who are considered to be key management personnel. Field and administrative work is carried out by contractors, and they have no responsibility for the strategic decision-making of the Company.

The Directors in office during the year were R L Richardson, R J Soper and R J Waring.

The following table outlines the nature and amount of the elements of the remuneration of Directors of the Company for the year ended 30 June 2008.

	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
Compensation for Key Management Personnel (KMP)			
Short-term employee benefits	88,608	88,608	86,368
Short-term consulting fees	94,003	94,003	72,105
Post-employment benefits – superannuation	70,000	70,000	70,000
Directors' fees	11,000	11,000	10,000
Other long-term benefits	-	-	-
Termination benefits	-	-	-
Share-based payments	-	-	234,300
Total compensation	<u>263,611</u>	<u>263,611</u>	<u>472,773</u>



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Interests and movements in the shares and options of the Company held by Directors and their Director-related entities as at 30 June 2008:

	R L Richardson	R J Soper	R J Waring	Total
Fully Paid Ordinary Shares				
at 30 June 2006	1,686,020	1,783,931	427,725	3,897,676
changes during year – purchase on market	41,667	40,000	37,746	119,413
at 30 June 2007	1,727,687	1,823,931	465,471	4,017,089
changes during year – purchase on market	-	400,000	53,000	453,000
at 30 June 2008	1,727,687	2,223,931	518,471	4,470,089
Employee Share Option Plan				
2006 Options				
at 30 June 2006	250,000	40,000	240,000	530,000
expired during year	-250,000	-40,000	-240,000	-530,000
at 30 June 2007	-	-	-	-
Employee Share Option Plan				
2009 Options				
at 30 June 2006	1,600,000	400,000	1,150,000	3,150,000
at 30 June 2007	1,600,000	400,000	1,150,000	3,150,000
at 30 June 2008	1,600,000	400,000	1,150,000	3,150,000
Employee Share Option Plan				
2011 Options				
at 30 June 2006	-	-	-	-
changes during year	1,060,000	270,000	800,000	2,130,000
at 30 June 2007	1,060,000	270,000	800,000	2,130,000
at 30 June 2008	1,060,000	270,000	800,000	2,130,000

No shares were issued as a result of the exercise of compensation options to KMP.

Options held by Directors under the Employee Share Option Plan may be exercised at any time. Shares and options held by Directors include those held by the Directors and their Director-related entities, including the spouses of such Directors and relatives of such Directors. All shares and options, excluding those held under the Employee Share Option Plan, were issued or granted on terms no more favourable than to other shareholders or option holders.

(b) Related party transactions

Mr R J Waring is a Director and has a significant financial interest in Warinco Services Pty Limited, a company that provides company secretarial, general commercial and accounting services to the Company. Services provided during the year ended 30 June 2008 amounted to \$149,575 (2007 - \$111,745) and included services provided by Mr R J Waring of \$94,003 (2007 - \$72,105). The \$94,003 (2007 - \$72,105) is included in the remuneration of Directors in the Remuneration Report.

During the year the Company provided technical and administrative support services to its 45.65% owned associated company, Eastern Iron Limited. Services provided amounted to \$140,161 (2007 - Nil) and includes consulting, use of office space and office services.

Services provided by Director-related entities were under normal commercial terms and conditions. There are no service agreements and hence no liabilities will arise from termination of such agreements. No other benefits have been received or are receivable by Directors, other than those already disclosed in the notes to the accounts.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



23. JOINT VENTURES

The Company is a party to a number of exploration joint venture agreements to explore for copper, gold, zinc, lead and heavy minerals. Under the terms of the agreements the Company will be required to contribute towards the exploration and other costs if it wishes to maintain or increase its percentage holdings. The joint ventures are not separate legal entities. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to PlatSearch at balance date resulting from these joint ventures, other than exploration expenditure costs carried forward as detailed in Note 15. Cost are accounted for in accordance with the terms of joint venture agreements and in accordance with Note 2(i).

Percentage equity interests in joint ventures at 30 June 2008 were as follows:

	Percentage Interest 2008	Percentage Interest 2007
New South Wales		
<i>Broken Hill - Base Metals and Gold</i>		
Euriowie	32%	80%
Hillston	80%	80%
Hollis Tank – diluting to 39%	80%	80%
Copper King, Yanco Glen and Ziggys	16%	16%
Apollyon Valley, Big Aller and Mt Robe	20%	20%
Stephens-Centennial – diluting to 14.4%	48%	48%
Cymbric Vale – diluting to 20%	50%	50%
Dunmore and Tomingley	90%	90%
Thomson Fold Belt – diluting to 49%	100%	100%
Mundi Plains – diluting to 49%	100%	100%
Zetta and Iron Bar	80%	100%
Eastern Iron Projects	20%	100%
South Australia – Base Metals and Gold		
Black Hill, Yalata and Toolgerie	80%	80%
Callabonna – diluting to 30%	100%	100%
Quinyambie – diluting to 15%	52.6%	52.6%
Frome and Poverty Lake – diluting to 15%	10%	50%
Coondambo – diluting to 20%	50%	50%
Mulyungarie	80%	80%
Kalabity – diluting to 32%	80%	80%
Wynbring – diluting to 40%	100%	100%
Mirikata – diluting to 30%	100%	100%
Junction Dam	80%	100%
Officer Basin	50%	100%
Queensland – Base Metals and Gold		
Horse Creek – diluting to 15%	100%	100%

24. FINANCIAL REPORT BY SEGMENT

The Group operates predominantly in the one business and in one geographical area, namely Australian mineral exploration and evaluation.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

25. CONTINGENT LIABILITIES

The Company's bankers have provided guarantees totalling \$10,000 (2007 - \$30,000) in respect of mining tenements and the guarantees are secured against short term deposits of these amounts. Additional guarantees of \$115,500 (2007 - \$105,500) in respect of mining tenements is secured against deposits with the NSW Department of Primary Industries and Mineral Resources, the Queensland Department of Mines and the Victorian Department of Energy and Minerals. The Company does not expect to incur any material liability in respect of the guarantees.

26. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability is set out in Notes 16 and 17 and is calculated in accordance with the accounting policy set out in Note 2. An employee share option plan has been established where selected officers and employees of the Company are issued with options over ordinary shares in PlatSearch NL. The options, issued for nil consideration, are issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX. There are currently six option holders under the plan holding 5,960,000 options. There were 60,000 options exercised during the 30 June 2008 year. The option exercise prices are \$0.14, \$0.18 and \$0.25 and the market value of ordinary PlatSearch NL shares closed at \$0.235 on 30 June 2008.

	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
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27. COMMITMENTS

Lease commitments

The Company has obligations under the terms of an operating lease agreement for its office premises as follows:

Payable not later than one year	41,000	41,000	19,600
Payable later than one year and not later than five years	61,500	61,500	-
	102,500	102,500	19,600

The Company's lease of its office premises is for a three year period expiring on 26 January 2011.

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence. These expenditure requirements will diminish as the Company joint ventures projects to third parties. It is the Company's exploration strategy to farm-out to larger companies to fund drilling programmes. In addition, the Company has commitments to expend funds towards earning or retaining an interest under joint venture agreements.

Payable not later than one year	1,597,353	1,597,353	759,393
Payable later than one year but not later than two years	271,083	271,083	402,342
	1,868,436	1,868,436	1,161,735

It is likely that variations to the terms of current and future joint ventures, the granting of new licences and changes in licence areas at renewal or expiry, will change the expenditure commitment to the Company from time to time.

28. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2008 other than as disclosed in this financial report.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



	Consolidated 2008 \$	Parent 2008 \$	Parent 2007 \$
29. CASH FLOW STATEMENT			
Reconciliation of net cash outflow from operating activities to operating profit after income tax			
(a) Operating profit after income tax	2,236,329	1,132,923	4,739,804
Depreciation	6,104	6,104	3,691
Exploration expenditure written-off	121,339	121,339	144,752
Share of associate's net losses	17,323	-	28,366
Share-based payment - options expensed	37,944	37,944	259,956
Gain on options – fair based value uplift of options	(1,869,708)	(1,789,408)	(4,793,500)
Gain on deconsolidation of EFE	(2,018,939)	-	-
Sale of tenements – equity consideration	-	(130,000)	-
Other	118,012	(7,000)	-
Change in assets and liabilities:			
(Increase)/decrease in receivables	(19,649)	(19,594)	(15,211)
(Decrease)/increase in trade and other creditors	20,403	20,403	7,390
(Decrease)/increase deferred income tax	850,584	129,244	(583,159)
Net cash outflow from operating activities	(500,258)	(498,045)	(207,911)
(b) For the purpose of the Cash Flow Statement, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Group does not have any unused credit facilities.			
The balance at 30 June 2008 comprised:			
Cash and cash equivalents	243,767	187,980	170,436
Money market securities – bank deposits (Note 6)	500,000	500,000	1,023,946
Cash on hand	743,767	687,980	1,194,382

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's Board considers the Company's overall risk management framework and policies, including quarterly review by the Board of the Company's financial position and financial forecasts and maintaining adequate insurances.

AASB 7 introduced new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to AASB 101 introduces disclosures about the level of an entity's capital and how it manages capital.

(a) Capital management

The Group considers its capital to comprise its ordinary share capital and its retained earnings, net of accumulated losses.

In managing its capital, the Group's primary objective as an explorer is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. The Group has no debt hence has a nil gearing ratio.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

In making decisions to adjust its capital structure to achieve these aims, either through altering its new share issues, or consideration of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

(b) Financial instrument risk exposure and management

As is common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. These main risks, arising from the group's financial instruments are interest rate risk, liquidity risk, share market risk and credit risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(c) General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives quarterly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Board receives cash flow projections on a monthly basis as well as information regarding cash balances. At the balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

(ii) Interest rate risk

At balance date, the Group is exposed to floating weighted average interest rates for financial assets of 2.05% on \$94,229 in cash (2007: 1.85%), 7.20% on \$149,538 in deposits at call (2007: 6.40%) and between 7.86% and 7.89% on short term deposits of \$500,000. All other financial assets and liabilities are non-interest bearing.

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and financial liability is set out in the following tables:

Risk exposure and responses

Judgements of reasonably possible movements:

	Post Tax Loss Lower/(Higher)		Equity Lower/(Higher)	
	2008	2007	2008	2007
Consolidated	\$	\$	\$	\$
+1% (100 basis points)	7,437	11,944	-	-
-1% (100 basis points)	(7,437)	(11,944)	-	-
Parent				
+1% (100 basis points)	6,880	11,944	-	-
-1% (100 basis points)	(6,880)	(11,944)	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008



(iii) Share market risk

The Company relies greatly on equity markets to raise capital for its exploration activities and is thus exposed to equity market volatility. When markets conditions require, for prudent capital management, in consultation with its professional advisers the Group looks to alternative sources of funding, including the sale of assets and royalties.

(iv) Credit risk

Credit risk arises principally from the Group's cash, cash equivalents, receivables and tenement security deposits.

The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Other receivables

Other receivables comprise GST. Credit worthiness of debtors is undertaken when appropriate.

(v) Equity price risk

Price risk arises from investments in equity securities and from PlatSearch's issued capital. All significant equity investments held by PlatSearch are publicly traded on the ASX. The price risk for listed securities is material in terms of the possible impact on profit and loss or total equity and as such a sensitivity analysis is completed below. The capacity of the company to raise capital from time to time may be influenced by either or both market conditions and the price of PlatSearch's quoted shares at that time.

At balance date, the Group is exposed to a stock exchange risk on its investments (Note 8). The Group's exposure to share price movement is set out in the following tables:

Risk exposure and responses

Judgements of reasonably possible movements in share prices:

	Post Tax Loss Lower/(Higher)		Equity Lower/(Higher)	
	2008	2007	2008	2007
	\$	\$	\$	\$
Consolidated				
+20%	-	-	1,590,550	1,703,750
-20%	-	-	(1,590,550)	(1,703,750)
Parent				
+20%	-	-	1,572,750	1,703,750
-20%	-	-	(1,572,750)	(1,703,750)

At balance date, the Group is exposed to a stock exchange risk on its derivative financial instruments (Note 11). The Group's exposure to movements in the value of share options is set out in the following tables:

Risk exposure and responses

Judgements of reasonably possible movements in underlying share prices:

	Post Tax Loss Lower/(Higher)		Equity Lower/(Higher)	
	2008	2007	2008	2007
	\$	\$	\$	\$
Consolidated				
+20%	1,651,000	1,431,000	-	-
-20%	(1,651,000)	(1,431,000)	-	-
Parent				
+20%	1,626,000	1,431,000	-	-
-20%	(1,626,000)	(1,431,000)	-	-



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

(d) Accounting policies

Accounting policies in relation to financial assets and liabilities and share capital are contained in Note 2.

(e) Fair value of financial assets and liabilities

The fair value of all monetary financial assets and financial liabilities of the PlatSearch Group approximate their carrying value.

There are no off-balance sheet financial asset and liabilities at year-end.

All financial assets and liabilities are denominated in Australian dollars.

DIRECTORS' DECLARATION



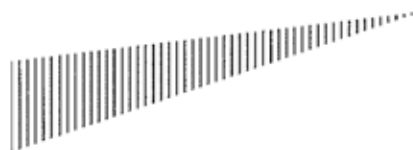
In accordance with a resolution of the Directors of PlatSearch NL, I state that:

- (1) In the opinion of the Directors:
 - (a) the financial statements, notes, and the additional disclosures included in the Directors' Report designated as audited, of the Company and of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2008.

On behalf of the Board

R L Richardson
Managing Director

Sydney, 30 September 2008



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Independent auditor's report to the members of PlatSearch NL

Report on the Financial Report

We have audited the accompanying financial report of PlatSearch NL, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2 (b), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion:

1. the financial report of PlatSearch NL is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of PlatSearch NL at 30 June 2008 and of its performance for the year ended on that date; and

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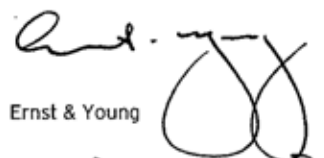
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- 2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of PlatSearch NL for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

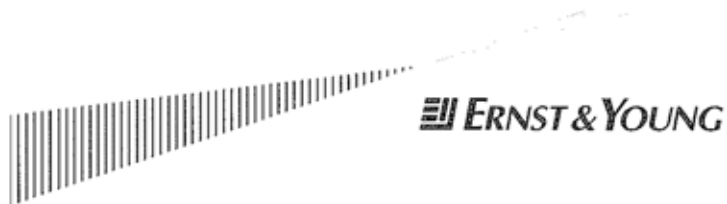


Ernst & Young



Gary Daniels
Partner
Sydney

30 September 2008



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Auditor's Independence Declaration to the Directors of PlatSearch NL

In relation to our audit of the financial report of PlatSearch NL for the financial year ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in black ink, appearing to read 'Gary Daniels'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Gary Daniels'.

Gary Daniels
Partner
Sydney

30 September 2008

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The Board of Directors of PlatSearch NL is responsible for corporate governance and strives for high standards in this regard. The Board monitors the business and affairs of PlatSearch on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board draws on relevant best practice principles particularly those issued by the ASX Corporate Governance Council in March 2003. At a number of its meetings the Board examined the PlatSearch corporate governance practices and the progress towards a review of its practice compared to the best practice principles proposed by the ASX Corporate Governance Council. While PlatSearch is attempting to adhere to the principles proposed by ASX, it is mindful that there may be some instances where compliance is not practicable for a company of PlatSearch's size.

The March 2003 Australian Securities Exchange Corporate Governance Council publication "Principles of Good Corporate Governance and Best Practice Recommendations" is for guidance purposes, however all listed companies are required to disclose the extent to which they have followed the recommendations; to identify any recommendations that have not been followed; and reasons for not doing so. The Company's Board of Directors has reviewed the recommendations. In many cases the Company was already achieving the standard required. In other cases the Company will have to consider new arrangements to enable compliance. In a limited number of instances, the Company may determine not to meet the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a company of this size. A set of Revised Principles were issued by ASX in August 2007. PlatSearch will be reviewing these in the 2007-08 year with a view to reporting against the eight revised principles.

The following paragraphs set out the Company's position relative to each of the 10 principles contained in the ASX Corporate Governance Council's report.

Principle 1: Lay solid foundations for management and oversight

The Company has not yet formalised and disclosed the functions reserved to the Board and those delegated to management. However, the Company has a small Board of three Directors (one Non-Executive Director plus the Managing Director and Finance Director) and a small team of people, so roles and functions have to be flexible to meet specific requirements.

Principle 2: Structure the Board to add value

The Company complies with most of the recommendations within this area as the Chairman is independent; separate from the Managing Director. The Company does not comply with the recommendation that a majority of Directors are independent, because two are Executive Directors. The Company does not have a separate Board Nomination committee, but has a Remuneration and Nomination Committee, which carries out this function, which includes an assessment of the specific governance skills and industry experience required of potential directors.

One of the Company's three Directors is the Non-Executive Chairman of Directors and he has not undertaken any consultancy work for the Company within the past three years. Each Director of the Company has the right to seek independent professional advice at the expense of the Company. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

Principle 3: Promote ethical and responsible decision-making

The Company has a policy concerning trading in its securities by Directors, management, staff and significant consultants which is set out below. The Company has a formal code of conduct, which reflects the Company's size and the close interaction of individuals throughout the organisation.

Principle 4: Safeguard integrity in financial reporting

The Company periodically reviews its procedures to ensure compliance with the recommendations set out under this principle. Senior management confirms that the financial reports represent a true and fair view and are in accordance with relevant accounting standards. The Managing Director and the Finance Director state in writing to the Board that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company are in accordance with relevant accounting standards and that the system of internal control is adequate.

The Company has an Audit Committee and the written charter has been approved by the Board.

The Audit Committee consists of the Non-Executive Chairman of Directors Mr Soper and the Managing Director Mr Richardson. These Directors have applicable expertise and skills for the Audit Committee. This structure does not meet the ASX's guidance regarding independence, in that it should have a majority of independent Directors and have at least three members and the Committee Chairman should not be the Chairman of the Board. The Audit Committee reports to the Board after each Committee meeting. In conjunction with the full Board, the Committee reviews the performance of the external auditors (including scope and quality of the audit).

**Principle 5: Make timely and balanced disclosure**

The Company, its Directors and staff are very aware of the ASX's continuous disclosure requirements and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. Whilst the Company does not have formal written policies regarding disclosure, it uses strong informal systems underpinned by experienced individuals.

Principle 6: Respect the rights of shareholders

All significant information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Company's operations, the material used in the presentation is released to the ASX and posted on the Company's website. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

Whilst the Company does not have a communications strategy to promote effective communication with shareholders, as it believes this is excessive for small companies, the Company does communicate regularly with shareholders. The Company has requested the external auditor to attend general meetings and this has been supported by the Company's audit partner at Ernst & Young.

Principle 7: Recognise and manage risk

The Company is a small exploration company and does not believe that there is significant need for formal policies on risk oversight and management of risk. Risk management arrangements are the responsibility of the Board of Directors and senior management collectively and Risk Factors is a standing agenda item at Board meetings. The Company's Managing Director and Finance Director provide the Board with the recommended statements on the system for the management of risk and internal control.

Principle 8: Encourage enhanced performance

The Company has a Remuneration Committee of Messrs Soper and Richardson which meets as and when required, to review performance matters and remuneration. There has been no formal performance evaluation of the Board during the past financial year, although its composition is reviewed at a Board meeting at least annually. The Directors work closely with management and have full access to all the Company's files and records.

Principle 9: Remunerate fairly and responsibly

Directors believe that the size of the Company makes individual salary and contractor negotiation more appropriate than formal remuneration policies. The Remuneration Committee will seek independent external advice and market comparisons as necessary. In accordance with Corporations Act requirements, the Company discloses the fees or salaries paid to all Directors, plus the five highest paid officers. The Company has an Employee Share Option Plan that was introduced in November 1993 and replaced in 2006, after being approved by shareholders. There are no schemes for retirement benefits for any director, other than statutory superannuation. The Company believes that its measures of equity-based remuneration are appropriate to incentivise Non-Executive Directors in a Company of PlatSearch's size and limited resources, which is at variance with the recommendations. Shareholders approval is obtained in advance of such issues.

Principle 10: Recognise the legitimate interests of stakeholders

The Company has a formal code of conduct to guide compliance with legal and other obligations. The Board of Directors continues to review the guide to determine the most appropriate and effective operational procedures.

Ethical Standards

The Board's policy is for the Directors and management to conduct themselves with the highest ethical standards. All Directors and employees will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Securities Trading and Trading Windows

Directors, employees and key consultants must consult with the Chairman of the Board or the Managing Director before dealing in securities of the Company. Purchases or sales in the Company's shares or options by Directors, employees and key consultants may not be carried out other than in the "window", being the period commencing two days following the date of an announcement leading, in the opinion of the Board, to an informed market. However, Directors, employees and key consultants are prohibited from buying or selling PlatSearch shares at any time if they are aware of price sensitive information that has not been made public.

SHAREHOLDER INFORMATION



Information relating to shareholders at 25 September 2008 (per ASX Listing Rule 4.10)

Substantial Shareholders

Shareholding

Minotaur Resources Investments Pty Ltd	8,750,000
Viking Investments Limited	7,756,676

Distribution of Shareholders

Number of ordinary shares held	Number of Holders	Ordinary Shares
1 – 1,000	318	136,624
1,001 – 5,000	219	612,374
5,001 – 10,000	196	1,667,862
10,001 – 100,000	456	19,277,679
100,001 – and over	131	66,216,853
	1,320	87,911,392

At the prevailing market price of \$0.16 per share, there were 463 shareholders with less than a marketable parcel of \$500.

Top 20 Shareholders of Ordinary Shares as at 25 September 2008

	Shares	% Shares issued
Minotaur Resources Investments Pty Ltd	8,750,000	9.95
Viking Investments Limited	7,756,676	8.82
DMG & Partners Securities Pte Ltd	4,283,445	4.87
Mr Chris Carr and Mrs Betsy Carr	3,000,000	3.41
Peninsula Exploration Pty Ltd	2,300,000	2.62
Warman Investments Pty Ltd	2,134,857	2.43
Nefco Nominees Pty Ltd	1,918,482	2.18
Mr Robert L Richardson and Ms Susanne Brint	1,727,687	1.97
Ipseity Pty Limited	1,548,931	1.76
Panstyn Investments Pty Ltd	1,283,097	1.46
Mr Phillip Clive Hardcastle	1,181,867	1.34
Howard-Smith Investments Pty Ltd	1,116,021	1.27
HSBC Custody Nominees (Australia) Limited	1,047,000	1.19
Dr John Campbell Larking	1,020,000	1.16
Mr Michael Anthony Parnell	900,533	1.02
Kimbriki Nominees Pty Ltd	800,220	0.91
Warinco Services Pty Limited	618,471	0.70
Mr Bruce Samuel Harris Rosenberg	600,000	0.68
Wimtone Pty Limited	600,000	0.68
Mr Peter Fabian Hellings and Mrs Jacqueline Kim Gun Hellings	550,000	0.63
Total of top 20 holdings	43,137,287	49.05
Other holdings	44,774,105	50.95
Total fully paid shares issued	87,911,392	100.00



Partly paid, unlisted ordinary shares

There are 450,000 ordinary \$0.25 shares paid to \$0.01 which are not listed on any stock exchange. Holders of these shares are Glenn Elliott Goodacre (200,000), Geonz Associates Limited (200,000) and Maxel Franz Rangott (50,000). The shares were issued under the Platinum Search Share Incentive Plan, which was replaced by the Employee Share Option Plan on 25 November 1993.

Employee Share Option Plan

There are 5,960,000 options outstanding under the Company's Employee Share Option Plan. At the Company's Annual General Meeting held on 25 November 1993, shareholders approved the adoption of the Company's Employee Share Option Plan. The Plan has been "refreshed" at a number of Annual General Meetings since then and replaced in November 2006 by a new plan. On 24 November 2004 the Directors resolved to grant 3,680,000 options to eligible persons under the Plan, 300,000 of these options have since expired and 3,380,000 remain on issue. The options are for a period of five years, expire on 24 November 2009 and are exercisable at \$0.25. Holders of the 24 November 2009 options are Robert L Richardson (1,600,000), Robert J Waring (1,150,000), Raymond J Soper (400,000), Wendy L Corbett (200,000) and Robin A Catalano (30,000). On 21 November 2006 the Directors resolved to grant 2,340,000 options to eligible persons under the Plan. The options are for a period of five years, expire on 27 November 2011 and are exercisable at \$0.14. Holders of the 27 November 2011 options are Robert L Richardson (1,060,000), Robert J Waring (800,000), Raymond J Soper (270,000) and Wendy L Corbett (150,000). 60,000 options were exercised in July 2007. On 18 June 2007 the Directors resolved to grant 300,000 options to Peter M Buckley under the Plan. The options which vested on 9 January 2008, are for a period of five years, expire on 28 May 2012 and are exercisable at \$0.18.

Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

Audit Committee

At the date of the Directors' Report, the Company has a Committee of one Non-Executive Director and the Managing Director which meets with the Company's external auditors at least once during each half-year. These meetings take place prior to the finalisation of the half-year financial statements and Annual Report and prior to the signing of the Audit Report.



PlatSearch's primary targets are large, world-class deposits known in the industry as "elephants"

PLATSEARCH NL

ABN 16 003 254 395

DIRECTORS

Raymond J Soper
Bob Richardson
Robert J Waring

SECRETARY

Robert J Waring

REGISTERED AND ADMINISTRATION OFFICE

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Website: www.platsearch.com.au

SHARE REGISTRY

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AUDITORS

Ernst & Young

BANKERS

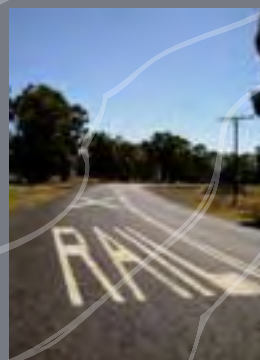
Commonwealth Bank of Australia

STOCK EXCHANGE LISTING

Listed on Australian Stock Exchange Limited
ASX Code: PTS

SHARE CAPITAL

At 30 June 2008, 87,911,392 fully paid ordinary shares,
450,000 partly paid ordinary shares to 1 cent and 5,960,000
employee share plan options



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