

SHAREHOLDER HALF-YEARLY UPDATE May 2006

Dear Shareholder

PlatSearch is pleased to provide you with an update on its progress since the 2005 Annual Report. Significant progress during the last six months will extend through the remainder of 2006 as a series of important targets on 15 prospects for **copper, gold, uranium, silver, lead and zinc** are drill tested by PlatSearch's joint venturers **Western Plains Gold (WPG), Newcrest Mining, Red Metal, Teck Cominco and Marathon Resources**.

PROJECT UPDATE

Diamond core drilling by WPG at the K1 prospect, **Mulyungarie** project SA, has discovered a very large quartz-haematite-magnetite body with potential to host iron-oxide style copper-gold (IOCG) mineralisation. Two diamond core holes targeting an intense magnetic anomaly and associated gravity anomaly have been completed.

The composition of the iron-oxide lode shows similarities to ironstone bodies in other Proterozoic domains including Cloncurry QLD, Tennant Creek NT and the Gawler Craton SA where, in some instances, these host economic deposits of gold and copper. Interpretation of the K1 geophysical data indicates that the quartz-haematite-magnetite body is very large, at least 100 million tonnes, with ample "room" to contain significant mineralisation. A previous hole intersected the body at relatively shallow depth and encountered 7 metres at 0.14 g/t gold. The K1 anomaly lies within a magnetic sequence that extends along strike into NSW where every hole on this sequence intersected strongly anomalous gold and copper (see Figure 3).

The first hole by WPG DDHK1-1 intersected quartz-magnetite-haematite at 163 metres depth down-hole and continued in this material to a depth of 298.8 metres where a large cavity and broken rod string forced it to be abandoned. DDHK1-2, located 200 metres along strike, entered siliceous ironstone at 125 metres. Below 185 metres, the rocks are intensely quartz-K-feldspar-chlorite altered and contain sulphide bearing quartz-magnetite-haematite veins together with common disseminated pyrite and occasional veins of massive pyrite up to 10 centimetres thick. Narrow breccia zones are present in both holes.

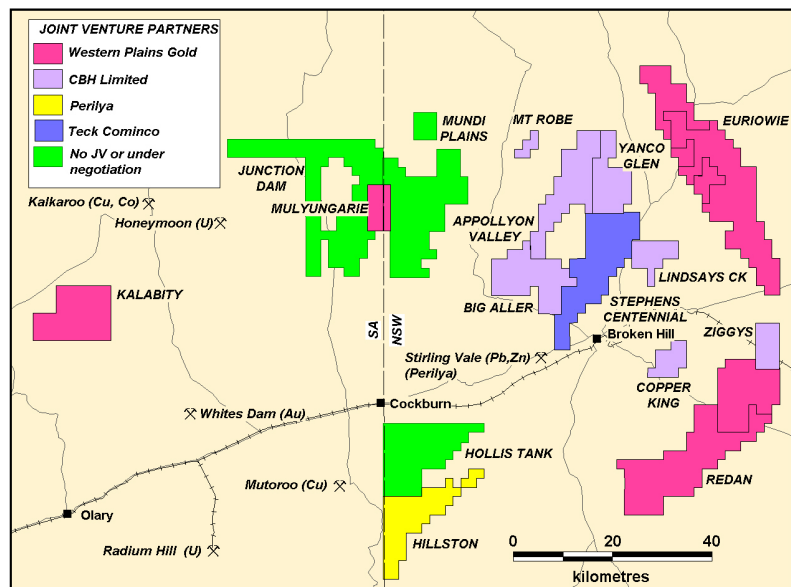
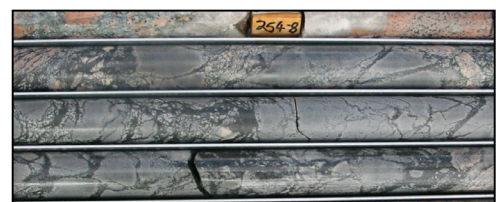


Figure 1 – Locations of PlatSearch tenements and joint ventures in the Broken Hill region

Figure 2 – Core from K1 hole DDHK1-2 shows strongly brecciated, K-feldspar altered siliceous albitite with abundant coarser massive magnetite and some pyrite disseminations and veinlets



DDHK1-2 maintained a steep inclination and it was terminated at 462 metres still in quartz-haematite-chlorite-magnetite-sulphide material. Further drilling is likely, however, the location of the next target will await the results of all assays and geological logging of core.

The full significance of these intersections will not be known until assay results are received, however, given the styles of alteration observed, the large amount of iron and silica, the large overall size of the system and the degree of geological complexity, the indications from this early drilling are regarded as very encouraging.

A second prospect, K2 anomaly, is located in the southern part of the tenement (see Figure 3).

A joint venture agreement was signed with Teck Cominco regarding the large **Stephens-Centennial** project at Broken Hill. The Stephens-Centennial tenement covers a large and highly prospective area located centrally in the Broken Hill Block, between 5 and 20 kilometres west and north-west of the Broken Hill "Line of Lode". The tenement embraces many important early lead-zinc-silver workings including Peppertree, Stephens Trig, Centennial, Nine Mile and Hidden Treasure, where some of the best drill intersections in the Broken Hill Block, outside the main "Line of Lode" have been encountered. Teck is seeking large Broken Hill style silver-lead-zinc deposits and will complete a 500 metre deep core hole to test a gravity anomaly at Stephens Trig prospect and will also complete extensive soil geochemical sampling covering the entire tenement area. Drilling is expected to commence in May 2006.

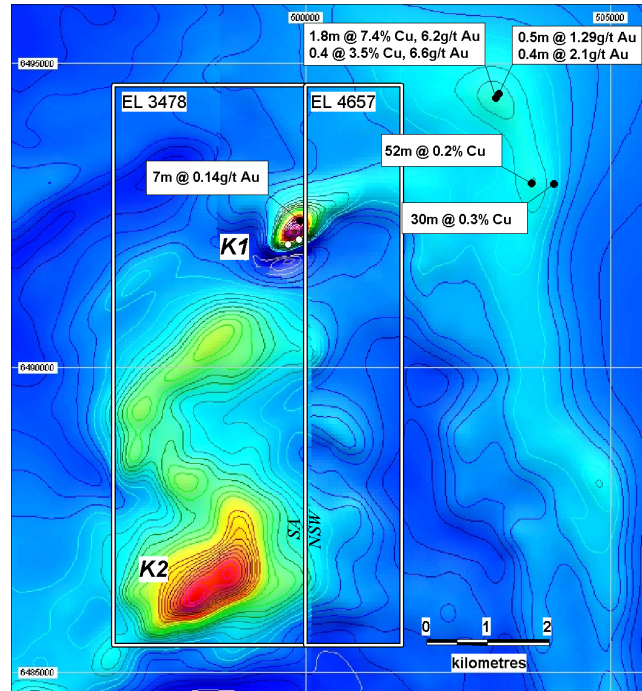


Figure 3 – Map shows image of aeromagnetic data over the Mulyungarie project and surrounds. Note anomalous Cu-Au intercepts on weaker anomalies to the east in NSW

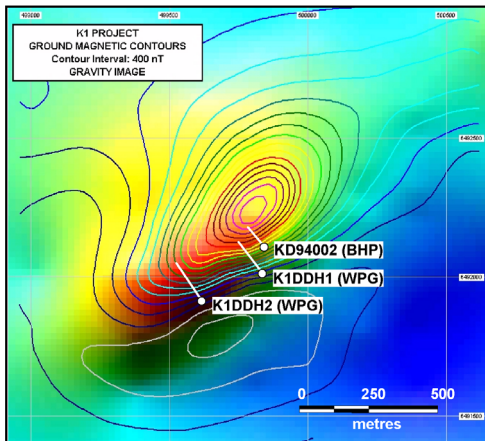


Figure 4 – Map shows K1 ground magnetic anomaly and gravity image with drillholes

In accordance with the **ZincSearch Joint Venture** with CBH Resources, PlatSearch has made substantial progress with a programme of soil sampling using the new Niton portable XRF analysis technology. The programme is being conducted over seven joint venture tenements covering a substantial part of the Broken Hill Block. Large parts of these tenements have had no previous geochemical coverage. Coupled with GPS positioning, the NITON XRF analyser enables areas to be geochemically mapped rapidly and with an unprecedented level of detail. See example Figure 5.

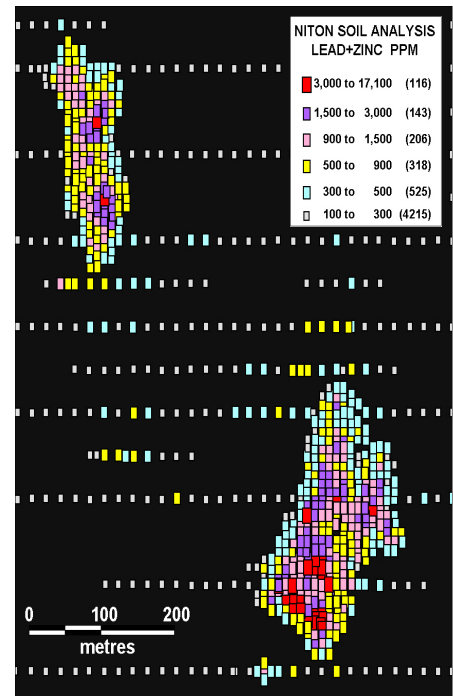


Figure 5 – An example of Niton XRF soil analysis results at Yanco Glen, Broken Hill

Approximately 9,500 sites have been sampled so far in the **Copper King, Lindsays Creek and Yanco Glen** tenements at Broken Hill. In the Yanco Glen tenement, a key area near the old Allendale Mine has been sampled in detail. The results show at least eight areas up to 800 metres in strike length with strongly anomalous lead and zinc in soils up to 17% lead and 9% zinc. Many of these anomalies are untested by drilling. Figure 5 shows two of these anomalies and illustrates the degree of detail that can be obtained using the Niton technology.

Joint venturer WPG has been very active in the **Euriowie** project area at Broken Hill. Substantial prospect scale work consisting of geological

mapping, geochemical sampling, geophysical surveys and RAB drilling has been conducted on four prospects followed by nine RC percussion holes on *Yalcowinna Creek* prospect and six on *Fairy Hill* prospect. All nine RC holes at Yalcowinna Creek and five holes at Fairy Hill intersected wide mineralised zones down-dip from the mapped surface gossan zones. Broad intervals of mineralisation with low-grade copper values were intersected in all holes up to 24 metres at 0.35% at Yalcowinna Creek and 24 metres at 0.47% at Fairy Hill. Moving loop EM (MLEM) surveys at both prospects indicate that the gossan zones continue along strike from the mapped areas. At Yalcowinna Creek, the MLEM surveys show that the gossan zone extends for a strike length of at least one kilometre.

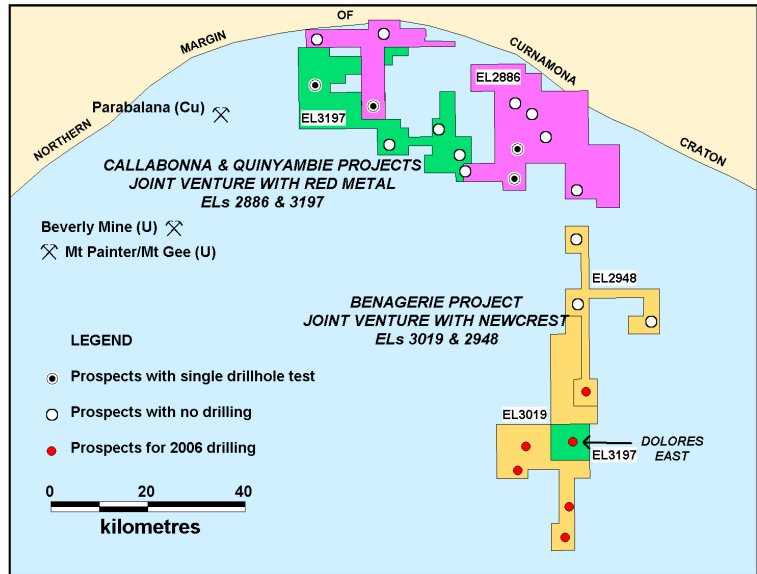


Figure 6 – Location of PlatSearch tenements and joint ventures in the northern Curnamona Craton, SA

MLEM surveys have also been conducted at *B40* and *Son of Man* prospects where encouraging anomalies associated with other geochemical, geological and geophysical indications have been identified and are being investigated currently by RAB drilling.

At **Kalabity** project all assays from an extensive programme of regional calcrete sampling by joint venturer WPG have been received and plotted. Evaluation of the data has defined a number of zones that are variously anomalous in uranium, gold and base metals. RAB drilling to investigate the two most significant uranium anomalies commenced in April. There are no analyses to report to date. One of the anomalous uranium targets is situated along strike from the *KR4* prospect where thin davidite bearing veins occur over a strike length of two kilometres. A selected bulk sample collected from outcrop of this material at *KR4* assayed 3.46% uranium, 1.75% cerium and 2.75% lanthanum.

The Kalabity Project area is situated in the eastern Curnamona Craton and is prospective for uranium and rare earth element mineralisation and for IOCG copper gold deposits. The Curnamona Craton currently has one mine producing uranium at Beverley and another well-known deposit at Honeymoon. It is one of the more prospective provinces in Australia for uranium and was the site for Australia’s first producing mine at Radium Hill.

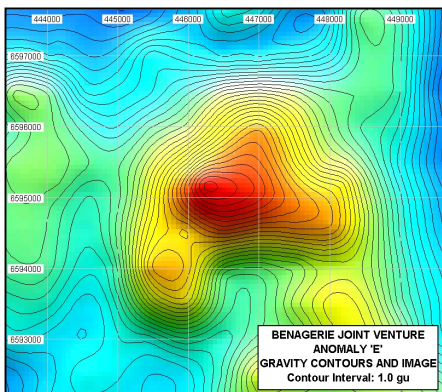


Figure 7 – Map shows gravity anomaly “E”, one of the drill targets in the Benagerie JV with Newcrest

(**Benagerie Joint Venture**). Based on this data together with aeromagnetic data and ground magnetic data collected previously by PlatSearch, Newcrest has identified four drill targets with potential for Olympic Dam style copper-gold mineralisation. Figure 7 shows one of these targets. Pre-collar drilling on these targets is scheduled to commence in May 2006.

Joint venturer Newcrest completed detailed gravity surveys over the **Frome** and **Poverty Lake** tenements in the Curnamona Craton

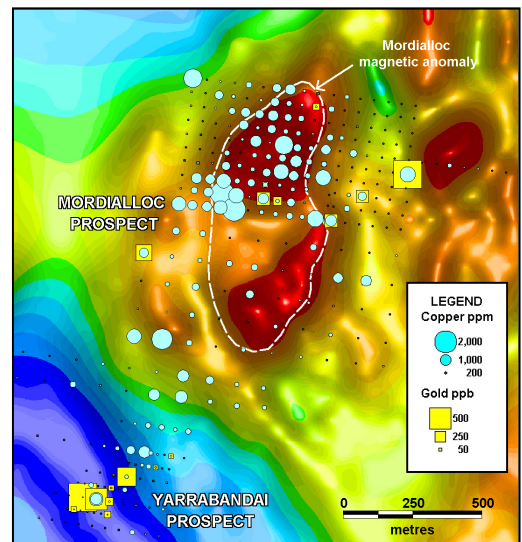


Figure 8 – Shows the Mordialloc magnetic anomaly with RAB C-horizon copper and gold geochemistry

In the **Quinyambie** project, Curnamona Craton SA, joint venturer Red Metal will drill a second hole on the *Dolores East* prospect in June 2006. The first hole, drilled by Inco, intersected a volcanic hydrothermal breccia pipe containing broad intervals of low-grade copper mineralisation and haematite alteration.

Also in the Curnamona Craton, Red Metal will conduct aircore drilling of Quaternary channels considered prospective for valley-fill calcrete style uranium mineralisation in the **Callabonna** and **Quinyambie** project area in June 2006.

At the **Coondambo** project in the Gawler Craton, SA, Marathon Resources is scheduled to commence drilling in early May 2006. The drilling will test for Olympic Dam style copper-gold-uranium mineralisation.

A compilation and review of data from previous work over the recently granted **Dunmore** tenement in the Lachlan Fold Belt is encouraging. The tenement is located close to the Northparkes porphyry copper-gold project (Rio Tinto) and has potential for both porphyry style copper-gold and multiple, sheeted-vein-style gold deposits. Drilling by a previous explorer encountered numerous anomalous gold intercepts up to 12.9 g/t.

PlatSearch has an interest in WPG’s **Trundle, Lake Cargelligo** and **Peak Hill East** projects in the Lachlan Fold Belt NSW through its 25% shareholding in WPG and, in addition, holds a 2% NSR royalty interest in Trundle.

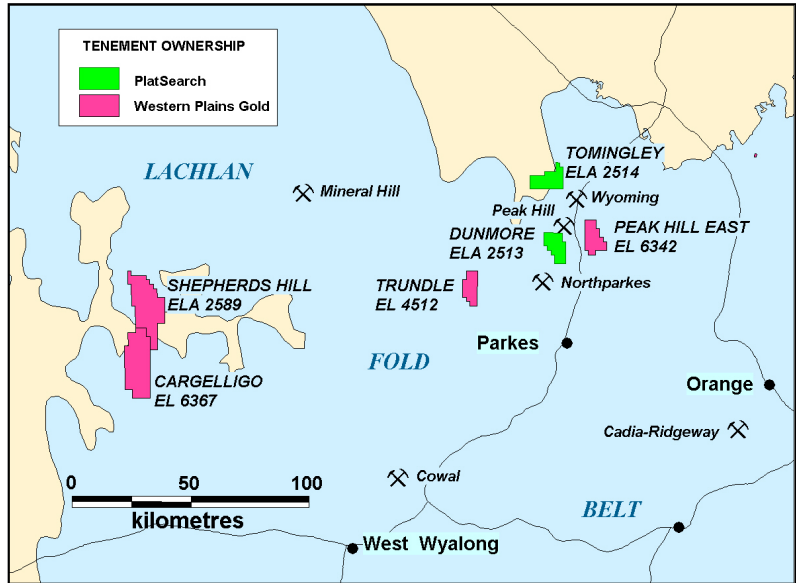


Figure 9 – Location of PlatSearch and WPG tenements in the Lachlan Fold Belt NSW

Additional RAB drilling by WPG in its **Trundle** tenement has completed the definition of a strong C-horizon geochemical anomaly at **Mordialloc** prospect that now extends over a 1,400 by 950 metre area and is showing encouraging indications for Northparkes style porphyry copper-gold mineralisation. Anomalous copper values up to 2,260ppm and gold values up to 0.3 g/t are located on a magnetic anomaly feature of a type that is typically associated with porphyry copper systems (see Figure 8). Further south at **Yarrabandai** prospect, C-horizon values are up to 1.99 g/t gold. RC drilling is expected to commence at Mordialloc when a suitable rig can be contracted.

Two diamond core holes were drilled on the 1.4 kilometre long **Achilles 1** Prospect alteration zone and soil geochemical anomalies at **Lake Cargelligo**. The drilling intersected a zone of intense hydrothermal alteration with low-grade copper mineralisation confirming that the geological setting is similar to that at the Peak Mine near Cobar. Further prospect scale work has been completed at the **Achilles 3** Prospect and ground magnetic surveys were completed over six magnetic anomalies. Possible extensions of the prospective environment in Lake Cargelligo have been covered by a new EL “Shepherds Hill”.

FINANCIAL

Cash expenditure by PlatSearch on exploration for the nine months to 31 March 2006 was \$91,000. Expenditure by joint venturers on the Company’s projects was \$1,161,000 for the same period. Cash funds available at 31 March 2006 were \$300,000. The Company has no borrowings.

In January 2006 PlatSearch successfully concluded a Share Purchase Plan of 4,601,180 shares at 7 cents and the amount raised was \$322,083. The funds will be used for ongoing project generation, project enhancement and corporate costs.

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

PlatSearch NL

Bob Richardson
Managing Director

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