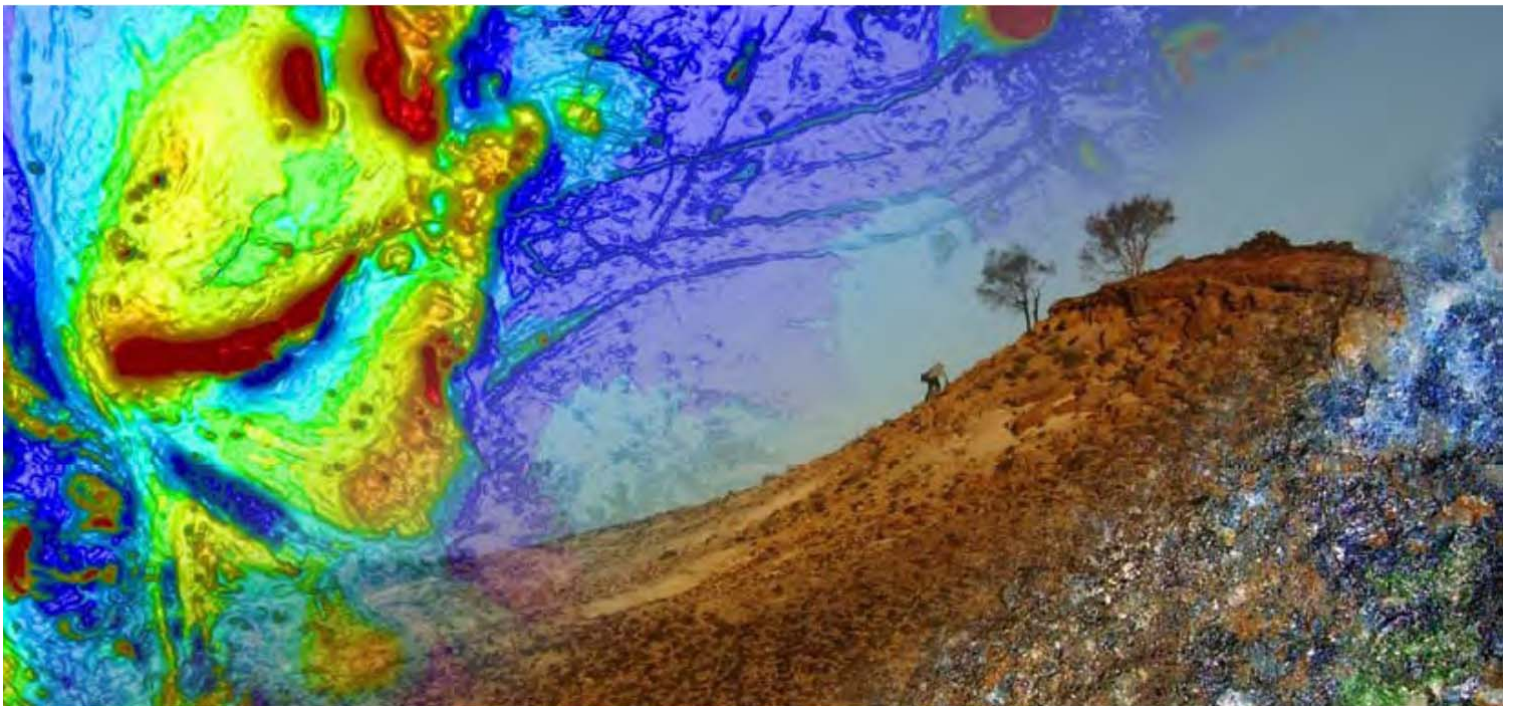


PLATSEARCH NL
ABN 16 003 254 395



HALF YEAR FINANCIAL REPORT 31 DECEMBER 2010



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DIRECTORS' REPORT



Your Directors submit their report on the Consolidated Entity (the Group) consisting of PlatSearch NL (PTS or the Company) and the entities it controlled at the end of, or during, the half year ended 31 December 2010.

DIRECTORS

The names of the Company's Directors in office during the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Patrick Elliott	Non-Executive Chairman
Gregory Jones	Managing Director
Kwan Chee Seng	Non-Executive Director
Dr Foo Fatt Kah	Non-Executive Director
Robert Waring	Non-Executive Director and Company Secretary – Retired 31 December 2010
Kantilal Champaklal	Alternate Director for Kwan Chee Seng

REVIEW AND RESULTS OF OPERATIONS

The net result of operations after applicable income tax expense for the half year was a Group gain of \$1,567,348 (2009: loss \$752,956), which includes the write-off of exploration expenditure in the current half year of \$100,006 (2009: \$54,842).

The principal continuing activity of the PlatSearch Group is the exploration for economic deposits of **zinc, lead, silver, gold, copper, nickel, iron ore, uranium, tin and mineral sands** and investment holdings in mineral exploration companies. The exploration activities are often funded by joint ventures with other resource companies (see table below). PlatSearch continues an active program of project generation to identify and acquire prospective areas for its own exploration or farm-out. In addition the Company has recently commenced assessment work of advanced opportunities that may help PlatSearch reach cash flow at an earlier date.

Activities for the period up to the date of this report included:

EXPLORATION

- **Thomson Resources Ltd** (ASX Code **TMZ**), a company formed to explore the Thomson Fold Belt of NSW and 25.6% owned by PlatSearch, successfully listed onto the ASX on 17

December 2010 raising \$4.6 million. Thomson plans to commence drilling over some of its key projects once floods affecting the region abate.

- Exploration by **Silver City Minerals Limited** continued over its large tenement holding within the Broken Hill Block with rock chipping and Niton XRF geochemical sampling at Yanco Glen. Results to date have defined a 3.5 kilometre long geochemical anomaly grading between 1-5% combined lead plus zinc. This project will be one of the key drill targets once the planned IPO is completed (now scheduled for the first half of 2011).
- The **Junction Dam** joint venture with Marmota Energy Limited is exploring for uranium within palaeochannels along strike from the Honeymoon uranium deposit in South Australia. Drilling results by Marmota continue to be encouraging with down-hole gamma logging indicating the presence of strongly anomalous uranium values. Further extensive drilling at the Saffron and Bridget prospects is due to start shortly. Marmota has earned a 74.5% interest in the uranium rights.
- A new agreement has been reached by Uranium Exploration Australia Limited (UXA) and Teck Australia Pty Ltd (Teck) for UXA to earn all of Teck's interest in the joint venture that covers both the **Junction Dam and Mundi Plains** tenements. Under the agreement, UXA must spend a total of \$5 million over four years to earn Teck's interest, with a minimum of \$1.2 million on exploration required within the first year. UXA will commence a drilling program, subject to access, early in 2011.
- **Eastern Iron Limited** (ASX Code **EFE**) (48% owned by PlatSearch) has secured the rights to significant magnetite iron projects at Hawkwood, Eulogie and Auburn in central Queensland. At Hawkwood, following encouraging results from RC drilling and the definition of thick zones of magnetite mineralisation, Eastern Iron submitted chip samples for preliminary metallurgical test work consisting of grind size and David Tube analysis. The preliminary results are very encouraging. The DTR work produced high iron grade concentrates of 63 to 67% Fe with low levels of the impurities normally associated with titaniferous magnetite ores. The coarse grain size has allowed effective liberation of TiO₂, Al₂O₃ and SiO₂-bearing minerals resulting in low levels for these compounds and high levels of iron. Good vanadium grades, an important by-product, were also recorded.

DIRECTORS' REPORT



- **Eastern Iron Limited** secured 100% of the Eulogie magnetite iron prospect located 200 kilometres north of the Hawkwood project. Eulogie has similar general geology and iron product potential to Hawkwood and will be evaluated for its early start-up potential.
- **Eastern Iron** also signed a joint venture with 3E Steel Pty Ltd (3E) which will allow 3E to earn up to a 77.5% interest in 13 tenements in Eastern Iron's NSW Iron Ore project. 3E may earn its interest by completing further investigations, including a bankable feasibility study, into the potential development of an iron ore project. The agreement with 3E included a requirement that Eastern Iron and PlatSearch execute an agreement to restructure the ownership of the 15 project tenements in which the companies hold interests. This restructure involves a transfer of interests in the tenements and will allow PlatSearch to own a 51% direct interest in just over half the iron Resource defined to date within the eastern section of the project area.
- PlatSearch increased its investment into **Eastern Iron** by exercising the remainder of its 12 cent options. PlatSearch now owns 31.5 million fully paid shares representing 48.3% of the issued capital.
- **WPG Resources (WPG)** completed a \$85 million placement and rights issue to provide additional funding for its activities including the planned construction of its DSO operation at Peculiar Knob, due to commence production later this year. PlatSearch subscribed to the capital raising and now owns 10.4 million fully paid shares.
- PlatSearch bolstered its cash position by selling its shares and options in **Chesser Resources Limited** for approximately \$3 million (pre costs) and securing a \$2.5 million convertible note.

INVESTMENTS

PlatSearch holds 10.4 million **WPG Resources** (ASX Code **WPG**) ordinary shares. At 15 February 2011 WPG shares were trading at \$0.85.

In June and December 2010, the PlatSearch Group exercised a total of 10.5 million \$0.12 options that it held in **Eastern Iron** at a total cost of \$1.26 million. As a result, PlatSearch has increased its shareholding in Eastern Iron to 31.5 million ordinary shares (approximately 48.3% of EFE). PlatSearch also holds 5 million \$0.35 options which have an expiry date of 19 December 2012. At 15 February 2011 EFE shares were trading at \$0.185.

JOINT VENTURE	REGION	FUNDED BY
Callabonna	Curnamona Craton, SA	Red Metal
Quinyambie	"	Red Metal
Mundi Plains	Broken Hill, NSW	Teck Cominco
Junction Dam	Curnamona Craton, SA	Teck Cominco
Junction Dam	"	Marmota Energy
Kalabity	"	Crossland Uranium
Hillston	Broken Hill, NSW	Perilya

On 28 October 2010 PlatSearch sold its shares and options in **Chesser Resources** (ASX Code **CHZ**) resulting in net proceeds before brokerage of approximately \$3 million. This represents an excellent return of over 10 times PlatSearch's total investment.

PlatSearch holds 0.51 million **Agua Resources Limited** (ASX Code **AGR**) (formerly Newport Mining) shares and 1 million options exercisable at \$0.35. Agua has acquired two highly prospective and potentially large scale phosphate projects in Brazil, the Lucena Phosphate Project and the Mata da Corda Phosphate Project. Agua has also reached conditional agreement to acquire a private mineral exploration company Potassio do Atlantico Ltda with a primary focus on potash exploration and development in the Sergipe Basin, Brazil, one of the largest global potash markets. At 15 February 2011 Agua shares were trading at \$0.84.

SUBSEQUENT EVENTS

No material event has occurred subsequent to 31 December 2010 requiring disclosure in, or amendment to, these financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration to the Directors as required under section 307C of the *Corporations Act 2001* is set out on page 17.

Signed at Sydney this 14th day of March 2011 in accordance with a resolution of the Directors.

Greg Jones
Managing Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



For the half year ended 31 December 2010

		31 Dec 2010	31 Dec 2009
	Note	\$	\$
REVENUE	4	252,937	243,474
OTHER INCOME	5	3,716,594	838,621
ASX and ASIC fees		(49,208)	(41,933)
Auditors' remuneration		(47,545)	(22,273)
Business development costs		(196,114)	(5,210)
Contract administration services		(173,408)	(212,660)
Depreciation expense		(13,190)	(8,031)
Directors' fees		(82,279)	(48,469)
Exploration expenditure written-off		(100,006)	(54,842)
Insurance		(17,168)	(17,549)
Finance cost		(28,493)	-
Loss on options	10	(119,800)	(408,998)
Operating lease rental expense		(39,543)	(25,888)
Salaries and employee benefits expense (net of salary costs capitalised to Deferred Exploration and Evaluation)		(499,023)	(133,155)
Share of net losses of associate accounted for using the equity method	9	(97,422)	(71,726)
Share-based compensation		(618,023)	(585,804)
Share registry costs		(24,387)	(15,855)
Singapore listing costs		(215,457)	-
Other expenses from ordinary activities		(209,215)	(90,620)
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE		1,439,250	(660,918)
Income tax benefit/(expense)		128,098	(92,038)
PROFIT (LOSS) AFTER INCOME TAX EXPENSE		1,567,348	(752,956)
OTHER COMPREHENSIVE INCOME			
Net fair value gains (losses) on available-for-sale financial assets		426,993	19,190
Income tax on items of other comprehensive income		(128,098)	(5,802)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX		298,895	13,388
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		1,866,243	(739,568)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



For the half year ended 31 December 2010

Profit/(Loss) for the period is attributable to:

Non-controlling interests	(256,235)	(87,056)
Owners of the parent	1,823,583	(665,900)
	1,567,348	(752,956)

Total comprehensive income/(loss) for the period is attributable to:

Non-controlling interests	(256,235)	(87,056)
Owners of the parent	2,122,478	(652,512)
	1,866,243	(739,568)

Earnings per share

Basic Gain/(Loss) per share (cents per share)	15	0.89	(0.45)
Diluted Gain/(Loss) per share (cents per share)	15	0.89	(0.45)

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



As at 31 December 2010

	Note	31 Dec 2010 \$	30 Jun 2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	8,252,112	4,757,247
Receivables	7	130,499	120,403
Total Current Assets		8,382,611	4,877,650
Non-Current Assets			
Investments – available for sale	8	7,763,943	6,818,631
Investment in associates	9	2,223,266	1,325,800
Derivative financial instruments	10	1,211,500	975,000
Receivables	7	6,565	-
Tenement security deposits		265,000	272,500
Property , plant and equipment		72,798	55,638
Deferred exploration and evaluation expenditure	11	2,558,517	2,163,797
Total Non-Current Assets		14,101,589	11,611,366
TOTAL ASSETS		22,484,200	16,489,016
LIABILITIES			
Current Liabilities			
Trade and other payables		441,632	262,615
Provisions		54,903	39,828
Total Current Liabilities		496,535	302,443
Non-Current Liabilities			
Provisions		5,090	12,154
Derivative liability	17	403,232	-
Convertible note	17	773,080	-
Total Non-Current Liabilities		1,181,402	12,154
TOTAL LIABILITIES		1,677,937	314,597
NET ASSETS		20,806,263	16,174,419
EQUITY			
Contributed equity	13	14,515,132	14,515,132
Reserves	14	6,600,132	4,936,892
Accumulated losses		(5,873,089)	(7,696,672)
Parent interests		15,242,175	11,755,352
Non-controlling interests		5,564,088	4,419,067
TOTAL EQUITY		20,806,263	16,174,419

The Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



For the half year ended 31 December 2010

	Contributed Equity	Accumulated Losses	Reserves	Non-controlling Interest	Total Equity
Note	\$	\$	\$	\$	\$
AT 1 JULY 2010	14,515,132	(7,696,672)	4,936,892	4,419,067	16,174,419
Profit/(Loss) for the period	-	1,823,583	-	(256,235)	1,567,348
Other comprehensive income	-	-	298,895	-	298,895
Total comprehensive income for the period	-	1,823,583	298,895	(256,235)	1,866,243
Transactions with owners in their capacity as owners:					
Issue of share capital	-	-	-	1,056,890	1,056,890
Transfer to reserves	-	-	(194,431)	194,431	-
Foreign currency	-	-	(4,480)	-	(4,480)
Share-based payments	-	-	468,088	149,935	618,023
Convertible note option	-	-	1,095,168	-	1,095,168
AT 31 DECEMBER 2010	14,515,132	(5,873,089)	6,600,132	5,564,088	20,806,263

	Contributed Equity	Accumulated Losses	Reserves	Non-controlling Interest	Total Equity
Note	\$	\$	\$	\$	\$
AT 1 JULY 2009	10,657,060	(8,086,356)	2,179,293	4,527,872	9,277,869
Loss for the period	-	(665,900)	-	(87,056)	(752,956)
Other comprehensive income	-	-	13,388	-	13,388
Total comprehensive income for the period	-	(665,900)	13,388	(87,056)	(739,568)
Transactions with owners in their capacity as owners:					
Issue of share capital	13	3,833,753	-	-	3,833,753
Share-based payments	-	-	585,804	-	585,804
AT 31 DECEMBER 2009	14,490,813	(8,752,256)	2,778,485	4,440,816	12,957,858

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS



For the half year ended 31 December 2010

	Note	31 Dec 2010 \$	31 Dec 2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers and employees		(1,411,382)	(586,932)
Payments for exploration and evaluation expensed		(196,114)	(5,210)
Consultancy fees received		95,299	87,735
Interest received		147,402	108,000
Rental income		25,440	19,356
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(1,339,355)	(377,051)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(17,160)	(735)
Payments for exploration and evaluation initially capitalised		(405,116)	(481,631)
Tenement security deposit refunds		10,000	-
Proceeds from sale of investments		2,925,726	-
Purchase of shares – investments		(1,236,120)	(1,352,428)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		1,277,330	(1,834,794)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	3,983,800
Proceeds from issue of shares to non-controlling interests		1,056,890	-
Payment of share issue costs		-	(275,457)
Proceeds from convertible note issue	17	2,500,000	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		3,556,890	3,708,343
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period		4,757,247	4,158,458
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	8,252,112	5,654,956

The Statement of Changes of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS



For the half year ended 31 December 2010

1. CORPORATE INFORMATION

The financial report of PlatSearch NL (PlatSearch or the Company) for the half year ended 31 December 2010 was authorised for issue in accordance with a resolution of the Directors on 14th March 2011. PlatSearch NL (the parent) is a company incorporated in Australia as a No Liability company. PlatSearch shares are publicly traded on the Australia Securities Exchange under ASX Code PTS.

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

2. BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL REPORT

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half year financial report should be read in conjunction with the annual Financial Report of PlatSearch as at 30 June 2010.

It is also recommended that the half year financial report be considered together with any public announcements made by PlatSearch during the half year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Basis of Preparation

The half year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The half year financial report has been prepared on a historical cost basis except for Available for Sale Investments and Derivatives, which have been measured at fair value.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete report period.

Significant Accounting Policies

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2010.

Management has reviewed and assessed the new accounting standards effective 1 July 2010 and these have been deemed to be not applicable to the Group.

Basis of Consolidation

The half year consolidated financial statements comprise the financial statements of PlatSearch NL and its subsidiaries (the Group). The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. The subsidiaries are 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. The Group includes PlatSearch NL and its wholly owned subsidiaries.

3. SEGMENT INFORMATION

The operating segments identified by management are as follows:

- (a) Exploration projects funded directly by PlatSearch ("Exploration") and;
- (b) Investments in other companies ("Investing").

Regarding the Exploration segment, the Chief Operating Decision Maker (the Board of directors) receives information on the exploration expenditure incurred. This information is disclosed in Note 11 of the half year financial report. No segment revenues are disclosed as each exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off which is disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS



For the half year ended 31 December 2010

Regarding the Investing segment, the Chief Operating Decision Maker reviews the value of investments and derivatives held in other exploration companies. The changes in the value of investments and derivatives are disclosed in Notes 8, 9 and 10 of the half year financial report. Segment revenues are disclosed in the statement of comprehensive income as 'Gain/(loss) on options'.

Financial information about each of these tenements is reported to the Managing Director on an ongoing basis. Corporate office activities are not allocated to operating segments as they are not considered part of the core operations of any segment and comprise of the following:

- Interest revenue;
- Corporate costs;
- Depreciation and amortisation of non-project specific property, plant and equipment.

The Group's accounting policy for reporting segments is consistent with that disclosed in Note 2.

4. REVENUE

Interest received – other persons/corporations

Rental income

Consulting fees

31 Dec 2010	31 Dec 2009
\$	\$
125,188	121,751
21,200	19,375
106,549	102,348
252,937	243,474

5. OTHER INCOME

Gain on sale of shares

Gain on options

Gain on sale of tenements

Gain on deemed disposal of investment in an associate

31 Dec 2010	31 Dec 2009
\$	\$
2,466,193	-
755,513	292,975
-	120,804
494,888	424,842
3,716,594	838,621

6. CASH AND CASH EQUIVALENTS

Cash at bank and in hand

Short-term deposits

31 Dec 2010	30 Jun 2010
\$	\$
1,056,967	98,507
7,195,145	4,658,740
8,252,112	4,757,247

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2010



7. RECEIVABLES

Current

	31 Dec 2010 \$	30 Jun 2010 \$
GST receivable	18,014	9,948
Interest receivable	26,459	48,673
Prepayments	16,353	32,550
Other debtors	69,673	29,232
Total Current Receivables	130,499	120,403

Non-Current

Other debtors	6,565	-
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8. INVESTMENTS

	31 Dec 2010 \$	30 Jun 2010 \$
Investments – available for sale – WPG (a)	7,493,643	5,688,437
Investments – available for sale – CHZ (b)	-	833,794
Investments – available for sale – AGR (c)	270,300	296,400
	7,763,943	6,818,631

- (a) During the period the Company purchased a total of 1,082,530 shares for \$736,120 under a Rights Issue in WPG Resources Ltd (WPG) (Formally Western Plains Resources Ltd). This increased the company's shareholding to 8.8% of WPG at 31 December 2010. The market value on ASX of PlatSearch's 10,407,837 shares in WPG at 31 December 2010 was \$7,493,643 (\$0.72 per share) and on 10 March 2011 it was \$7,805,878 (\$0.75 per share).
- (b) In November 2010 the Group sold 2,305,000 shares in Chesser Resources Limited (CHZ) for \$1,960,978. In December 2010 the Group sold the remaining 11,094 shares in CHZ for \$10,317. A gain on sale of \$1,755,493 was recorded in relation to this transaction.
- (c) During the period the Group sold 10,000 shares in Aguia Resources Limited for \$4,900. The market value on ASX of the Group's 510,000 shares in Aguia Resources Limited (AGR) (Formally Newport Mining Limited – NMN) at 31 December 2010 was \$270,300 (\$0.53 per share) and on 10 March 2011 was \$606,900 (\$1.19 per share).

9. INVESTMENT IN ASSOCIATES

	31 Dec 2010 \$	30 Jun 2010 \$
Investment in SCI	457,574	506,552
Investment in TMZ	1,765,692	819,248
Investment accounted for using the equity method	2,223,266	1,325,800

The Group's interest in the above investments in associates 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.

NOTES TO THE FINANCIAL STATEMENTS



For the half year ended 31 December 2010

Silver City Minerals Limited

In October 2009 Silver City Mining Limited (SCI) raised additional capital totalling \$2,010,000 issuing an additional 18,272,728 shares which diluted PlatSearch's shareholding in SCI to 20.1%. Bluestone 23 Limited (a wholly owned subsidiary of the Company) contributed \$310,000 and was issued 2,818,182 shares in the SCI October 2009 capital raising. As a result of the dilution a gain of \$22,830 was recognised on the 'deemed disposal' of the 4.1% interest. The gain has been recognised against the carrying value of the investment.

Thomson Resources Ltd

In July 2009 Thomson Resources Limited (TMZ) was incorporated. On incorporation, the Group acquired a 50% interest in TMZ via the purchase of 250,000 shares in TMZ for \$10,000. During the six month period TMZ raised additional capital totalling \$2,562,000 issuing an additional 31,320,000 shares of which the Group acquired an additional 4,750,000 shares for \$190,000. In November 2009 PlatSearch acquired an additional 10,500,000 share as consideration for the sale of 13 tenements. The sale of the tenements resulted in the Group recognising a gain of \$120,804. As a result of the capital raising during the six months ended 31 December 2009, the Group's investment in TMZ was diluted from 50% to 32.76% which resulted in a gain of \$393,446 which was recognised on the 'deemed disposal' of the 17.24% interest. This gain has been recognised against the carrying value of the investment.

In December 2010 Thomson Resources successfully completed a \$4.6 million IPO issuing an additional 22,859,500 shares at \$0.20 which diluted the Groups shareholding in TMZ from 32.76% to 25.65%. Bluestone 23 Limited contributed \$500,000 and was issued with 2,500,000 shares. As a result of the dilution a gain of \$494,888 was recognised on the 'deemed disposal' of the 7.11% interest. The gain has been recognised against the carrying value of the investment.

10. DERIVATIVE FINANCIAL INSTRUMENTS

Share options – CHZ	(a)
Share options – AGR	(b)
Share options – SCI	(c)
Share options – TMZ	(d)

31 Dec 2010	30 Jun 2010
\$	\$
-	292,200
302,800	420,200
97,700	100,100
811,000	162,500
1,211,500	975,000

- (a) PlatSearch exercised its 2,000,000 options in Chesser Resources Limited (CHZ) for \$700,000 in November 2010. The 2,000,000 shares were then sold on market for \$1,700,000 in November 2010. A gain on sale of \$707,800 has been recorded in 'gain on sale of shares' in relation to this transaction.
- (b) The PlatSearch Group holds 1,000,000 options in Agua Resources Limited (AGR) (Formerly Newport Mining Limited – NMN) 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 117.55%, risk-free interest rate of 5.11%, dividend yield nil and an option life of 1.0 years. This results in a fair value of \$302,800 at 31 December 2010.
- (c) PlatSearch holds 3,000,000 options in Silver City Minerals Limited (SCI) with an exercise price of \$0.35 and an expiry date of 1 July 2013. A valuation of these options has been obtained using the Binomial valuation methodology model and the following assumptions: expected volatility of 140.33%, risk-free interest rate of 5.235%, dividend yield nil and an option life of 2.5 years. SCI shares were not listed and freely traded on the measurement date, therefore, a 50% discount was applied to reflect such considerations. This results in a fair value of \$95,700 at 31 December 2010.

PlatSearch holds 9,715,500 converting performance shares (contingent consideration) in SCI which can be converted into ordinary shares if the share price of SCI shares exceeds 50 cents for a month within two years of SCI listing on the stock exchange. As SCI shares are not quoted on the stock exchange these converting performance shares have been valued at the cost price of \$2,000.

NOTES TO THE FINANCIAL STATEMENTS



For the half year ended 31 December 2010

- (d) PlatSearch holds 5,000,000 options in Thomson Resources Limited (TMZ) with an exercise price of \$0.30 and an expiry date of 11 December 2014. A valuation of these options has been obtained using the Binomial valuation methodology model and the following assumptions: expected volatility of 115.74%, risk-free interest rate of 5.37%, dividend yield nil and an option life of 3.95 years. This results in a fair value of \$811,000 at 31 December 2010.

11. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Costs brought forward

Expenditure incurred during the period

Tenements sold during the period

Expenditure written off during the period

Costs carried forward

31 Dec 2010	30 Jun 2010
\$	\$
2,163,797	1,906,744
494,726	624,598
-	(240,339)
(100,006)	(127,206)
2,558,517	2,163,797

In accordance with Note 2, the Directors write off exploration expenditure where they assess that the asset is impaired. Exploration expenditure is written off either by a reassessment by the Group that has reduced the interpreted potential of the licence for mineral deposits and, or a joint venture partner has withdrawn from a project.

12. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no change of any contingent liabilities or contingent assets.

13. CONTRIBUTED EQUITY

Share capital

175,287,592 ordinary shares fully paid (June 2010 : 175,287,592)

450,000 ordinary shares paid to \$0.01 with \$0.24 unpaid (June 2010 : 450,000)

31 Dec 2010	30 Jun 2010
\$	\$
14,510,632	14,510,632
4,500	4,500
14,515,132	14,515,132

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2010



14. RESERVES

	31 Dec 2010	30 Jun 2010
	\$	\$
Share-based compensation reserve (a)	1,475,241	1,007,152
General reserve (b)	(229,107)	(34,676)
Investment revaluation reserve (c)	4,263,310	3,964,416
Foreign currency translation reserve (d)	(4,480)	-
Convertible note option reserve (e)	1,095,168	-
	6,600,132	4,936,892

- (a) The share-based compensation reserve is used to recognise the fair value of options issued but not exercised.
- (b) The general reserve represents the change in the value of non-controlling interests resulting from the change of shareholding in Eastern Iron Limited during the financial period.
- (c) The investment revaluation reserve arises in connection with the accounting for investments as per Note 8.
- (d) The foreign currency translation reserve arises from the difference in exchange rate of foreign currency transactions.
- (e) The convertible note option reserve is used to record the value of the conversion feature of the convertible note. Refer to Note 17.

15. GAIN/(LOSS) PER SHARE

Basic Gain/(Loss) per share \$0.89 (2009: \$0.45 loss).

Diluted Gain/(Loss) per share \$0.89 (2009: \$0.45 loss).

Weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share is 175,305,592 (2009: 166,350,596).

The 2009 weighted average number of shares has been adjusted to reflect the 'bonus element' of the 2009 rights issue as required by AASB 133 *Earnings per Share*.

	31 Dec 2010	31 Dec 2009
	\$	\$
Gain/(Loss) used in calculating basic and diluted loss per share	1,567,348	(752,956)

Conversion, call, subscription or issue after 31 December 2010: 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.

NOTES TO THE FINANCIAL STATEMENTS



For the half year ended 31 December 2010

16. RELATED PARTY DISCLOSURES

Transactions with Directors

Mr R Waring was a Director until 31 December 2010 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 half year ended 31 December 2010 amounted to \$52,331 (2009: \$105,664) and included services provided by Mr R Waring of \$50,016 (2009: \$74,976).

Luminor Capital Pte Ltd, a Company of which Dr Foo and Mr Kwan are shareholders and directors and Mr Champaklal a director, provided advisory services at arms length commercial terms to PlatSearch's associated companies Silver City Minerals Limited and Thomson Resources Ltd.

Services provided by Director-related entities were under normal commercial terms and conditions. There are no long term 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.

Transactions with subsidiaries

PlatSearch has renegotiated its joint venture agreement with Eastern Iron such that it will increase its ownership from 20% to 51% in selected exploration licences and iron resources in return for relinquishing its 20% ownership in a group of other exploration licences. The transaction had no financial impact on the consolidated financial statements.

Transactions with Associated Companies

During the half year the Company provided technical and administrative support services to its associated companies company Silver City Minerals Limited (SCI) and Thomson Resources Limited (TMO). Services provided to SCI amounted to \$49,162 (2009: \$74,873) and TMO \$67,523 (2009: \$49,801) consisting of payments received for consulting, use of office space and office services.

17. CONVERTIBLE NOTE

The Company completed a capital raising in December 2010 via a private placement of 16,666,667 convertible notes at 15 cents each which raised \$2,500,000 in additional working capital for the Company.

The general terms of the issue are:

- convertible notes with a conversion price of 15 cents per share and a maturity date of 9 December 2013;
- the Company may redeem the notes at any stage and must redeem all convertible notes on the maturity date or upon an event of default;
- each convertible note will accrue interest at 8% per annum to be paid each half year in arrears in cash, the first instalment to be paid on 30 April 2011; and
- noteholders will receive one share option for every two convertible notes they subscribe to, providing the notes are converted into ordinary shares and at the time of conversion. The share options will have an exercise price of 25 cents and an expiry of 9 December 2014.

18. SUBSEQUENT EVENTS

No material event has occurred subsequent to 31 December 2010 requiring disclosure in, or amendment to, these financial statements.

DIRECTORS' DECLARATION



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

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half year ended on that date of the consolidated entity; and
 - (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Greg Jones
Managing Director

Sydney, 14th March 2011



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To the members of PlatSearch NL

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of PlatSearch NL, which comprises the balance sheet as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

Directors' Responsibility for the Half Year Financial Report

The directors of the company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of PlatSearch NL and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

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Standards Legislation



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of PlatSearch NL is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Anton Ivanyi
Partner
Sydney
14 March 2011

AUDITOR'S INDEPENDENCE DECLARATION



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Auditor's Independence Declaration to the Directors of PlatSearch NL

In relation to our review of the financial report of PlatSearch NL for the half-year ended 31 December 2010, 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.

Ernst & Young

Anton Ivanyi
Partner
14 March 2011

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PLATSEARCH NL

ABN 16 003 254 395

DIRECTORS

Patrick Elliott

Greg Jones

Foo Fatt Kah

Kwan Chee Seng

Robert Waring (Retired 31 December 2010)

Kantilal Champkaplal (alternate to Kwan Chee Seng)

COMPANY SECRETARY

Ivo Polovineo

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E-mail: pts@platsearch.com.au

Website: www.platsearch.com.au

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Computershare Investor Services Pty Limited

ABN 48 078 279 277

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Perth WA 6000

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Facsimile: +61 8 9323 2033

AUDITORS

Ernst & Young, Level 33, 680 George Street Sydney
NSW 2000

STOCK EXCHANGE

Listed on the Australian Securities Exchange

ASX Code: PTS

SHARE CAPITAL

At 31 December 2010, 175,287,592 fully paid ordinary shares, 450,000 partly paid shares to 1 cent (24 cents payable), 23,020,000 options on issue and 16,666,667 convertible notes.