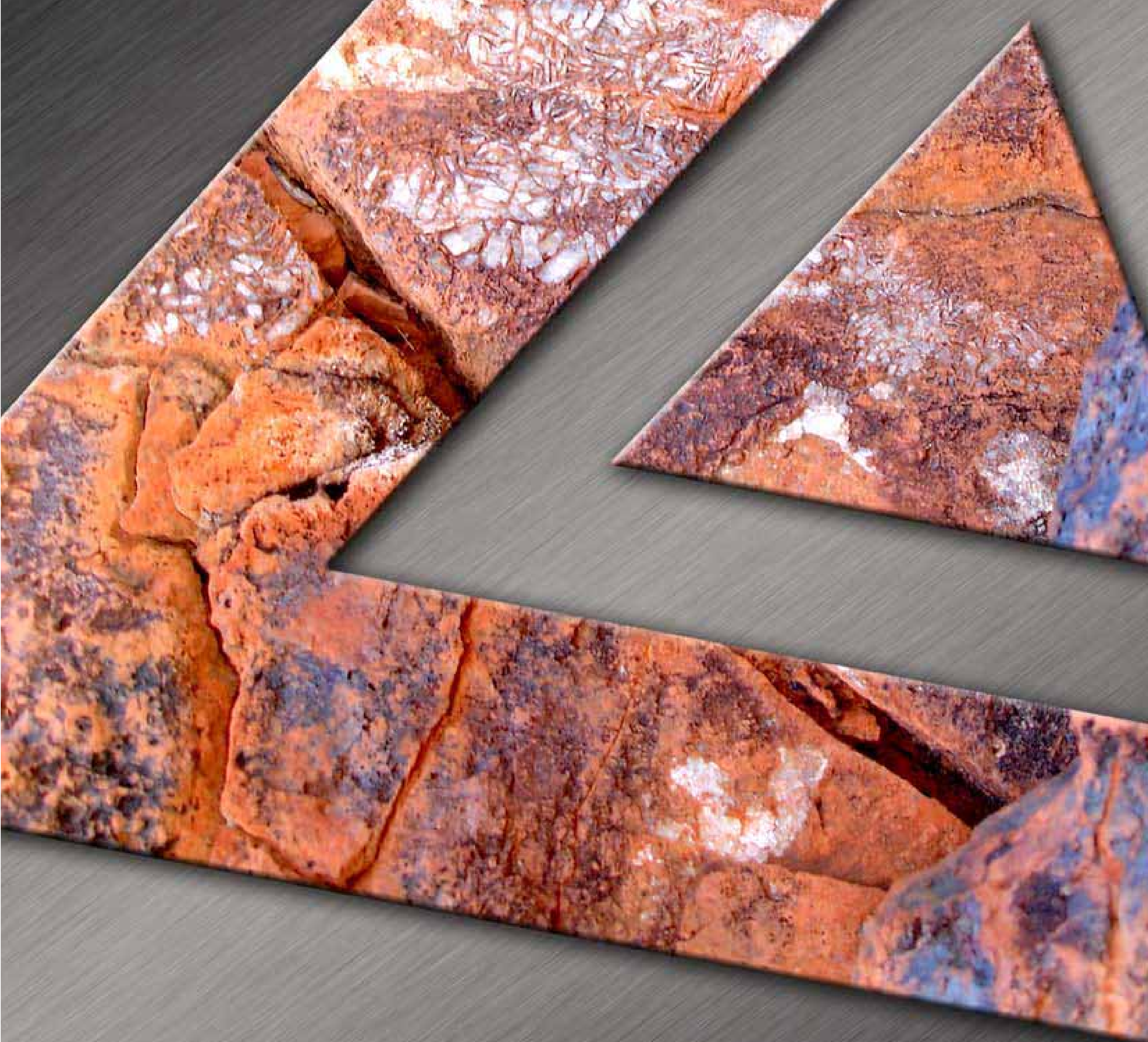
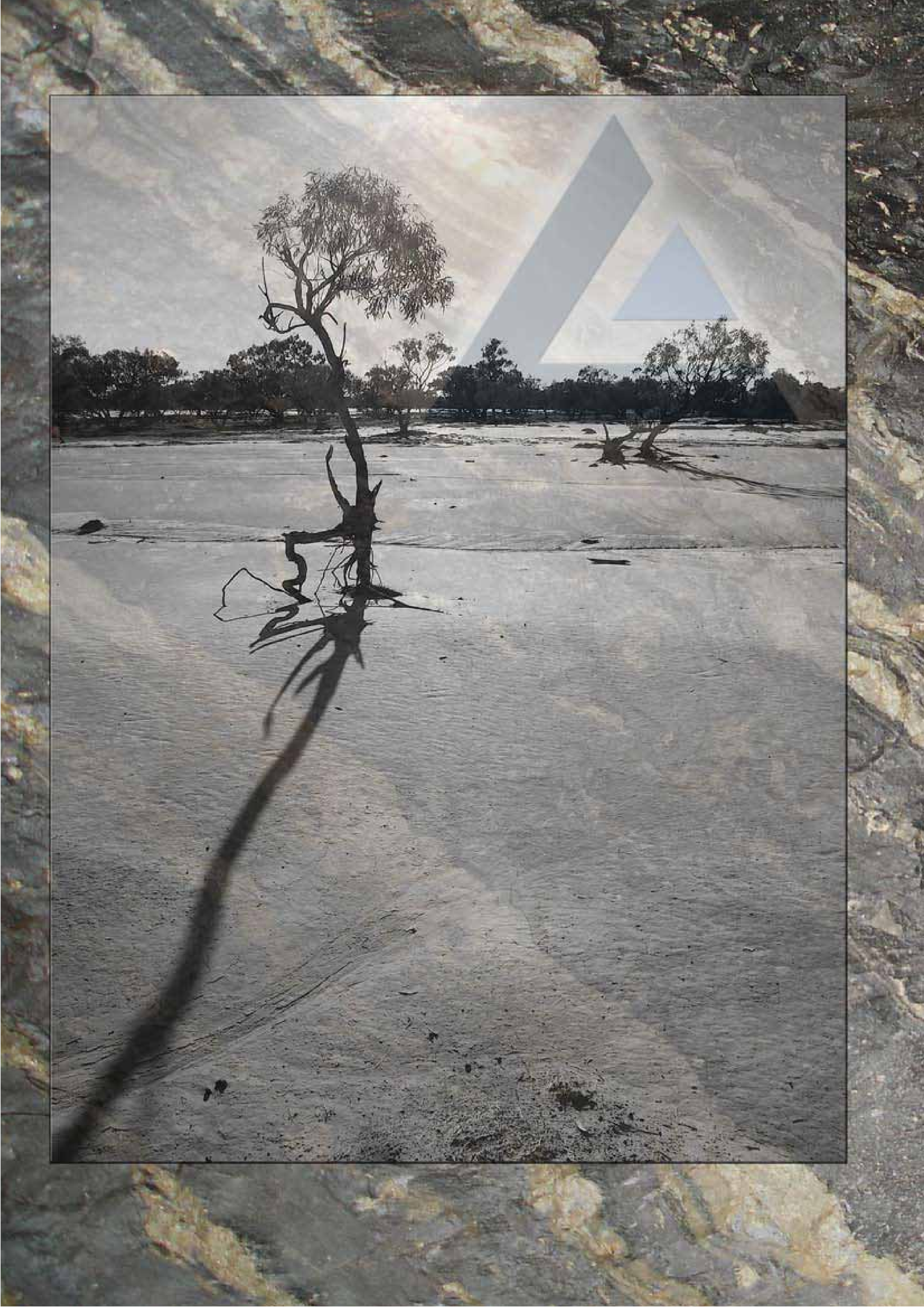


PLATSEARCH NL

2011 ANNUAL REPORT



CONTENTS

Chairman's Letter

Dear Shareholder

It is with much pleasure that, on behalf of your Board of Directors, I write to update you on the progress that your Company has made over the last 12 months.

Most of 2010/11 saw a return to almost unprecedented levels of interest in the resources sector and the concomitant increase in commodity prices as the world began to recover from the lingering effects of the Global Financial Crisis. Recent events in Europe and the US surrounding the government debt issues and anaemic economic recovery of those regions has, however generated substantial instability/volatility within the commodity and stock markets. Notwithstanding this, the continued strength of the Emerging Market economies and the ensuing commodity demand has provided a solid platform for the growth of the resources sector.

Strong foreign investment, notably from China, has resulted in intense competition for more advanced properties and mines, and supported a general increase in exploration activities. PlatSearch has benefitted from this resurgence with expenditure by its partners into its joint ventures increasing since last year from $1.9 to $2.6 million.

In addition, an improved risk appetite in the market during much of the year has assisted small resource explorers, including PlatSearch and its affiliates, with a marked increase in access to exploration capital.

Within this environment, your Company has been very active as we continue to develop our corporate investment portfolio, build our pipeline of high quality exploration projects and seek to acquire advanced / brownfield projects.

Some of the key milestones achieved during the year include –

- The successful Initial Public Offerings of two companies that PlatSearch had conceived, incorporated and vended-in exploration assets, Thomson Resources Ltd and Silver City Minerals Limited. Both IPOs progressed well and raised a total of $14.4 million despite volatile market conditions. The success of each IPO is reflective of excellent broker support and the quality of the exploration portfolios and assembled management. Both companies are now drilling.

- Substantially increased investment by PlatSearch into Eastern Iron Limited and WPG Resources Ltd and the rising value of the PlatSearch portfolio. The total value of PlatSearch's investment portfolio has increased markedly from $9.1 million at end 2009/2010 to $21.2 million at end 2010/2011.

  This is approximately seven times the value of the portfolio as compared to June 30, 2009.

- The sale of PlatSearch's holdings in Chesser Resources for approximately $3 million, or more than ten times the original investment. Similarly, during 2011 the Company also reduced its holdings in Aguia Resources netting a further $0.3 million, again well above the original investment.

- On 22 August 2011 WPG Resources announced that it had entered conditional agreement for the sale of its iron assets in South Australia to Onesteel Limited. The company finalised the sale with Onesteel on 6 October for $320 million and announced that it would return $1.05 per WPG share to its shareholders by way of a fully franked dividend and capital return.

  PlatSearch owns 10.4 million WPG shares and as a result, will receive a pre-tax cash payment of $10.9 million in early November 2011.

- The Company continued to refresh its exploration portfolio and secure new high quality projects such as the Wyoming West gold project in central NSW.

As a result of PlatSearch's highly successful investment strategy, the Company expects to have approximately $13.5 million in cash by November 2011, by far the strongest financial position PlatSearch has been in since its listing onto the ASX 24 years ago.

The Company expects to use some of this additional funding to progress its own exploration into key projects such as Ghostrider, Kempsey and Wyoming West.

CHAIRMANS LETTER

In addition, as previously disclosed to its shareholders, PlatSearch has expanded its project search to include advanced and brown-field opportunities to meet its business objective of becoming a producer with ongoing positive cash flow. The Company has recently identified a range of advanced and brown-field opportunities within Europe and Africa and has progressed substantial evaluation work. PlatSearch has now incorporated a wholly owned European subsidiary, established and equipped an office in France and employed a team of experienced European geologists to assist in the work.

We expect that this strategy will result in PlatSearch securing high quality, advanced assets offshore.

In closing I would also like to acknowledge our Managing Director, Greg Jones and the executive and staff team at PlatSearch, whose continued hard work and commitment in developing and promoting the new direction of your Company during this year have been commendable.

I thank you for joining us in this journey and look forward to your continued support in our endeavours.

Pat Elliott

Pat Elliott

Chairman

EXPLORATION

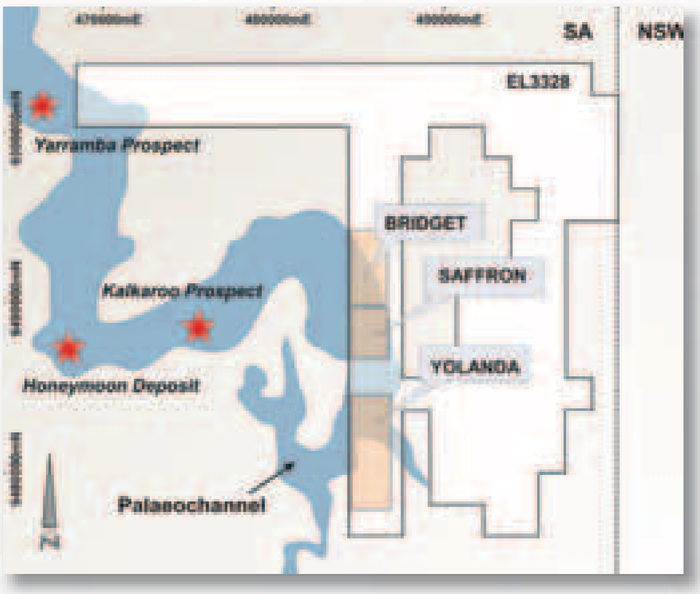
CURNAMONA PROVINCE

Good results continued to be obtained in exploration within the **Junction Dam** uranium joint venture by Marmota Energy Ltd (Marmota can earn up to an 80% interest from Teck Australia Ltd and PlatSearch). Marmota is exploring for insitu-leach uranium deposits within Tertiary palaeochannels similar to those found at the nearby Honeymoon uranium mine and the Beverley Four Mile uranium project to the north and west of Junction Dam.

During the year Marmota flew a large electromagnetic geophysical survey to help map sections of the prospective Yarramba palaeochannel and completed three drilling programmes. High grade uranium mineralisation of potential economic significance was returned from a number of holes within carbonaceous and pyritic sands interpreted to be the Eyre Formation which hosts the Honeymoon and Four Mile deposits.

At the Saffron prospect Marmota has discovered a significant zone of uranium mineralisation. A number of drill holes have reported grade-thickness accumulations in excess of 0.045 m% eU_3O_8 and up to 0.242 m% eU_3O_8 (intersections of greater than 0.045 m% eU_3O_8 are considered significant and important in evaluating the economic viability). To date mineralisation has been defined over a strike length of two kilometres, and is open to the north and south.

In addition, drilling at the recently identified Bridget prospect generated strong down-hole gamma readings. The best result returned was 1.45 metres at 5,332ppm eU_3O_8 with Marmota reporting that drilling has defined mineralisation over a strike length four kilometres.

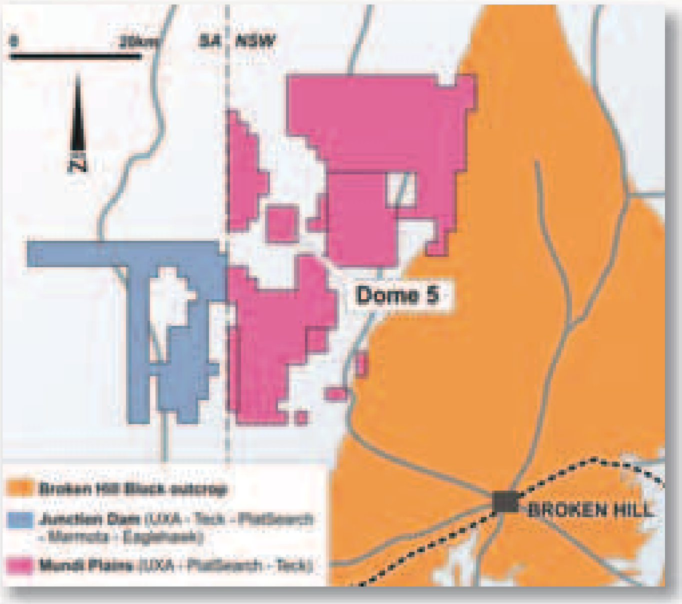


Key uranium prospects at Junction Dam

Five holes drilled at Yolanda within the main part of the Yarramba Palaeochannel intercepted prospective channel sands. Three drill holes returned anomalous uranium values confirming the continuation of the channel system southward within the project. Marmota believes that the presence of mineralisation at Yolanda offers substantial expansion potential south of the Saffron prospect.

Marmota has earned a 74.5% share of the uranium rights at Junction Dam with PlatSearch diluting to a 10% interest in the joint venture.

UXA Resources Ltd (UXA) is currently earning Teck's interest (up to 80%) in the PTE joint venture covering the basement mineral rights within 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.



Dome 5 location

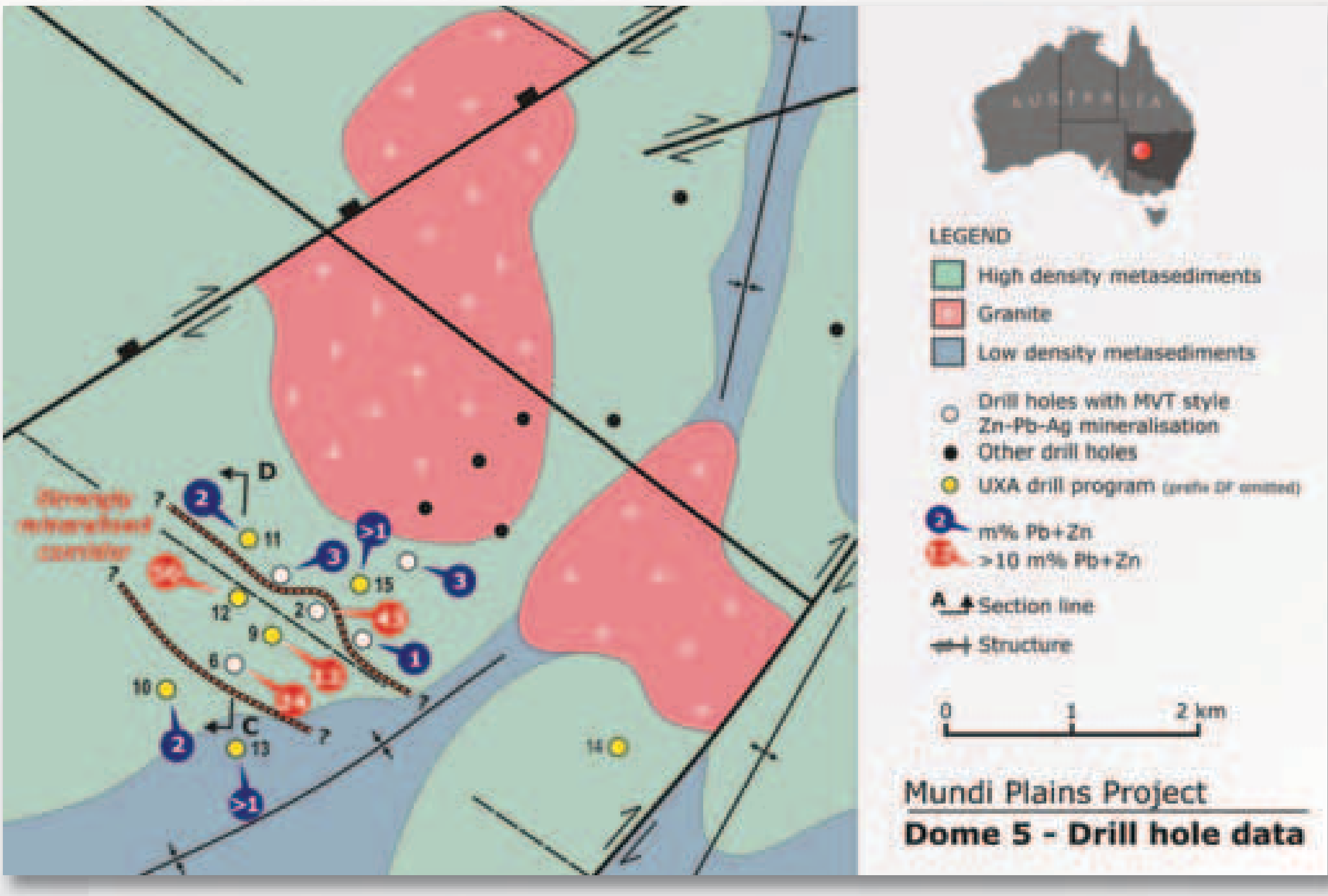
At Mundi Plains, previous drilling by Teck at the Dome 5 prospect defined narrow, high grade intervals of Mississippi Valley Type (MVT) lead-zinc-silver mineralisation approximately 330 metres below the surface including 0.8 metres at 4.9% lead, 19.2% zinc and 83 g/t silver in hole DF6.

UXA has recently completed a seven hole (2,653 metres) diamond drill program to follow up the Teck results and to determine the extent of mineralisation. This drilling, along will results of previous Teck work, has defined a 500m wide zone of higher grade mineralisation which is open to both the west and southeast. This zone runs in a roughly northwest – southeast orientation, along the north side of a strong gravity anomaly, and is coincident with the southern margin of the basement granite contact with the Paragon Group metasediments.

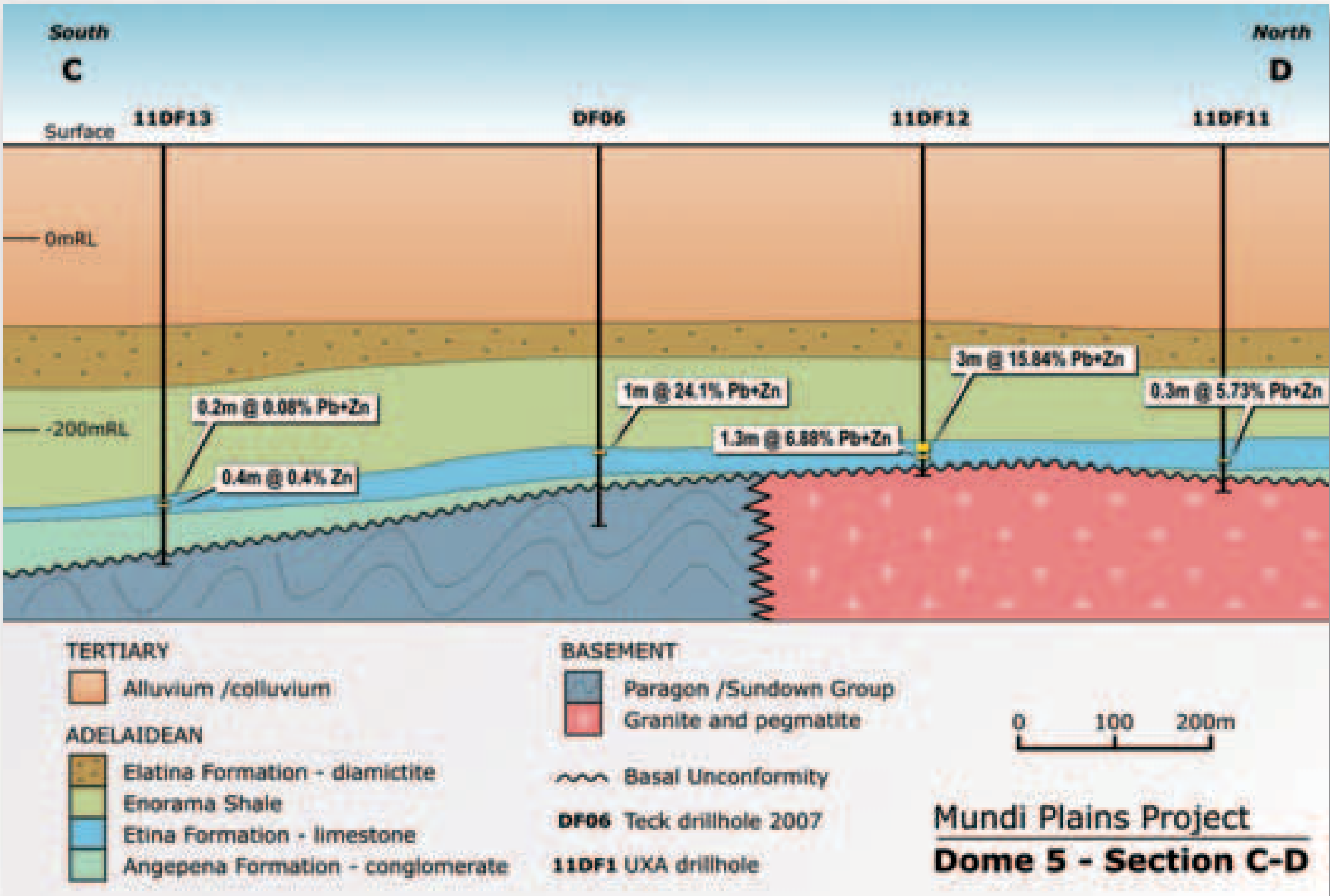
The mineralised trend is defined by four drill holes, DF02, 06, 09 and 12, where the combined m% lead + zinc (metres of mineralisation multiplied by % grade of lead + zinc) is greater than 10m%. The best intersection was recorded in hole DF12 which intersected 3.0m of high grade sphalerite and galena mineralisation grading 15.8% lead + zinc and 63ppm silver from 315.0 metres. A second zone of mineralisation, 5 metres below the high grade zone, returned 1.29 metres grading 6.88% lead + zinc and 20 ppm silver.

UXA are planning to follow up these intersections with closer spaced and extensional drilling, forecast to commence later in 2011.

Within the **Callabonna** and **Quinyambie** projects, joint venture partner Red Metal Limited is earning up to an 80% interest by targeting roll-front type uranium deposits within the fertile Frome Sub-Basin.



Dome 5 zinc-lead-silver prospect with recent drilling (figure adapted from UXA)



Dome 5 Cross Section with recent drilling (figure adapted from UXA)

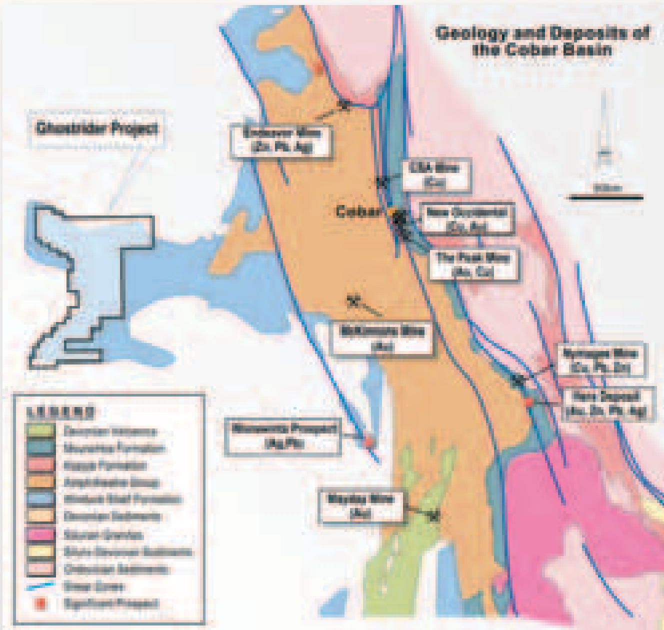
Previous drilling by Red Metal identified a palaeochannel sand unit deposited along the Paralana Fault. The sand unit, referred to as the Woolatchi channel, is confined within the Namba Formation shales and has a similar geological setting to the channel sand units hosting the Beverley and Four Mile uranium deposits.

The Woolatchi channel sands are encouraging because they are highly oxidised suggesting potential uranium-bearing fluids may have moved through the channel. A small gamma response (up to 3 times background) associated with the oxidised sands in hole L26 further supports this interpretation. Further drill testing of the prospective uranium-bearing palaeochannel sands is planned.

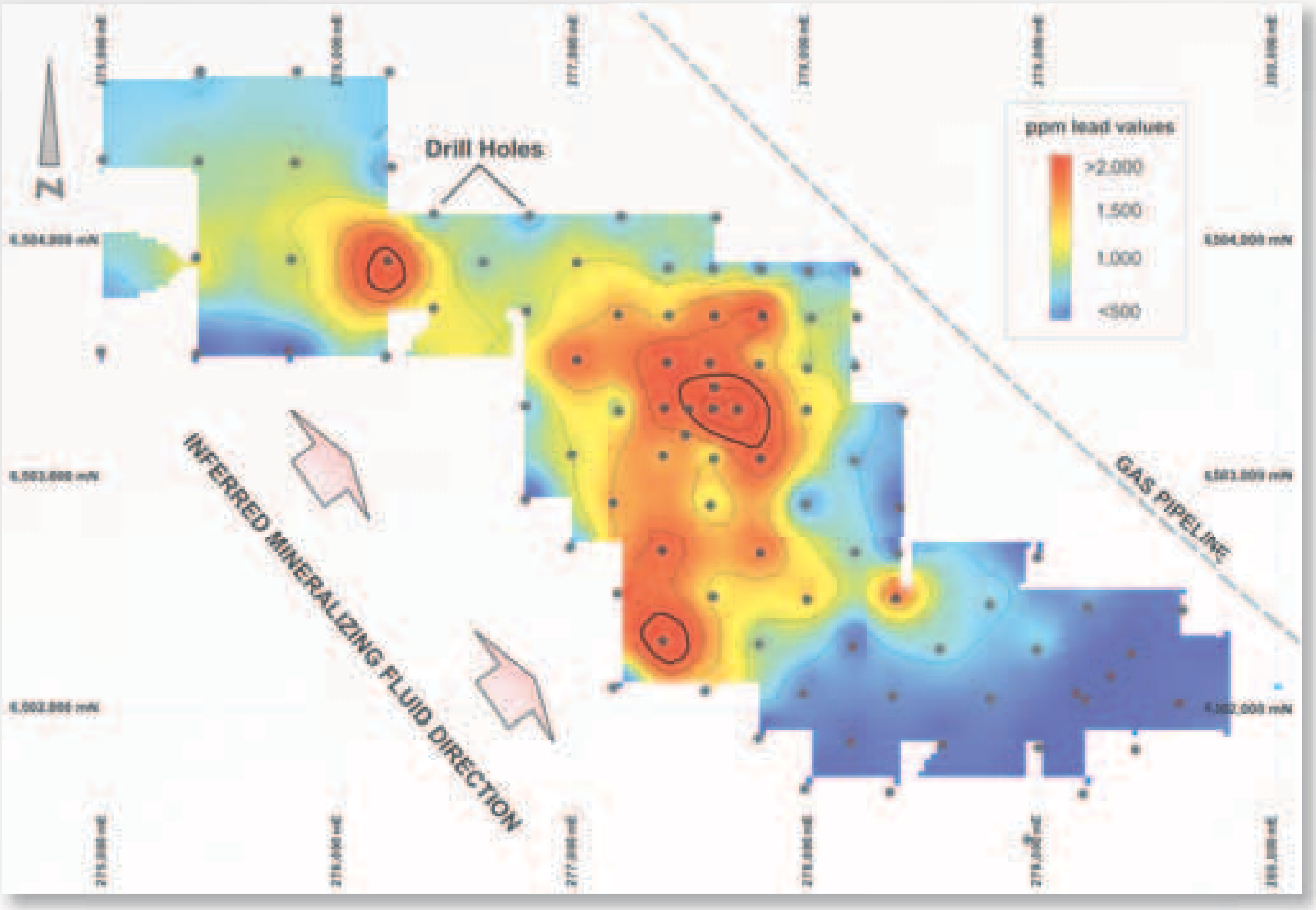
LACHLAN FOLD BELT

Preparations are well underway for the commencement of field work at the **Ghostrider Project**. PlatSearch believes the area is prospective for Mississippi Valley Type (MVT) base and precious metal mineralisation similar to that found within the Wonawinta silver/lead deposit located 120 kilometres to the southeast.

Previous work by the Company has identified strongly anomalous results in RAB drilling completed during the 1980s, extending over a strike distance of four kilometres, with maximum values in the weathered zone of 1.15% lead, 0.22% zinc, 0.12% copper and 25ppm silver. Limited deeper RC drilling (70 – 100 metres) intersected lead sulphides in fresh rock (up to 0.48% lead). The lead anomaly is open to the northwest and east, and appears to be obscured by younger sediments to the west where work by PlatSearch indicates a clear target for primary mineralisation.



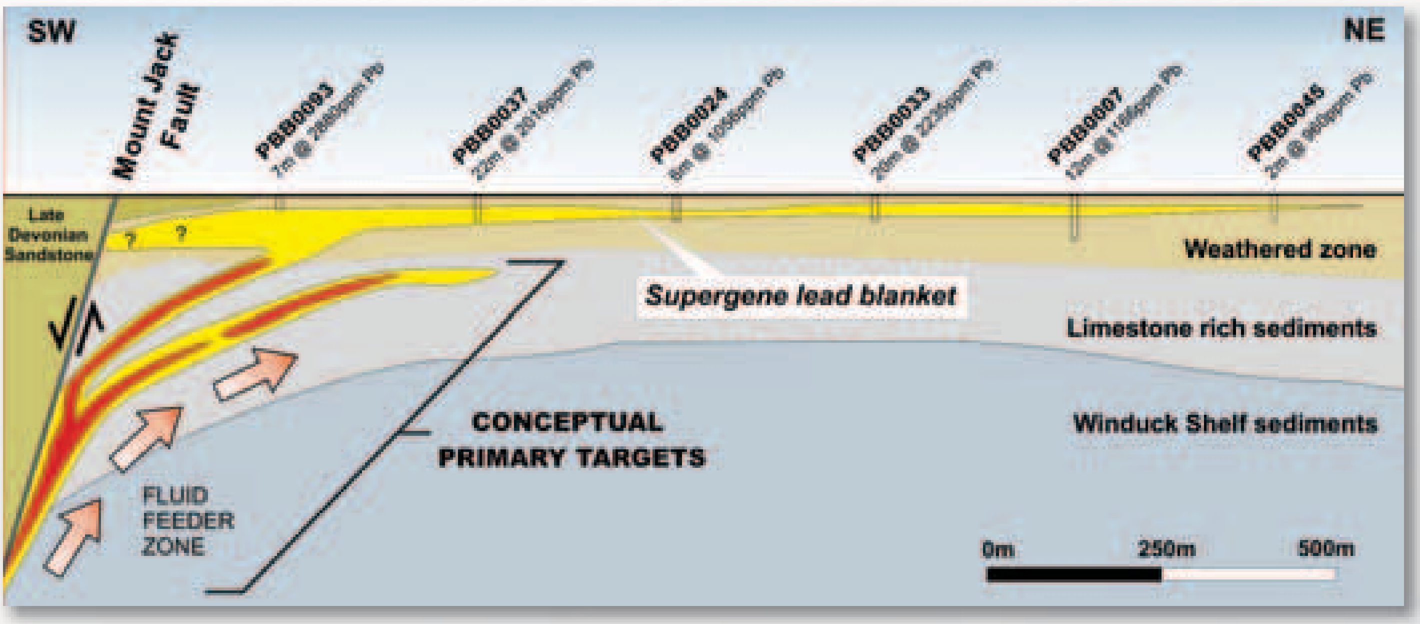
Ghostrider project location



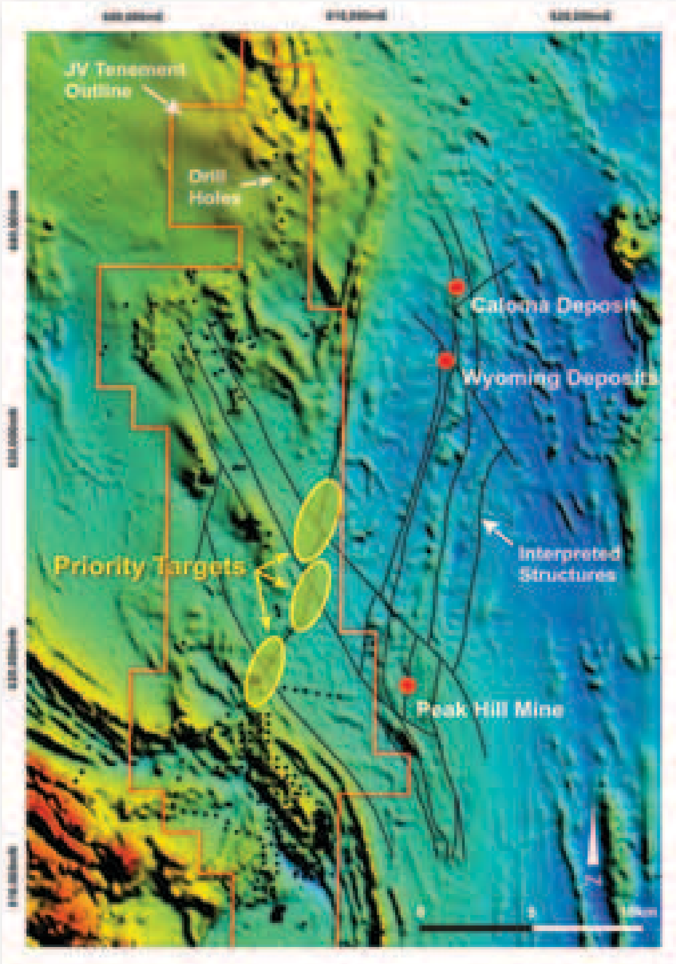
Ghostrider contoured maximum lead values (ppm) in drilling

The Company has designed a large Induced Polarisation (IP) survey to test the central area for deeper base metal sulphides below the oxide regolith and to the west, below the younger sediment cover. PlatSearch is contacting landowners to organise access and plans to commence this survey later in 2011, with follow-up deeper drilling as required.

PlatSearch NL signed a binding Heads of Agreement with Raptor Minerals Limited to establish a new joint venture, **Wyoming West**, to explore the area to the west of Alkane's Wyoming/Caloma gold deposits, in central NSW. The joint venture consolidates a strong tenement position over a sizable prospective area of 321 square kilometres. PlatSearch may earn up to an 80% interest in the joint venture through the expenditure of $500,000 over 2.5 years.



Ghostrider conceptual mineralization target



Wyoming West JV tenements over magnetics showing key targets

The Wyoming West joint venture tenements cover the western extension of rock units believed to be similar to those hosting the Peak Hill gold mine and the Wyoming and Caloma gold deposits where Alkane is investigating the potential to build a new gold mining operation. The Wyoming and Caloma deposits are hosted within volcaniclastic sediments and shallow intrusive porphyritic sills cut by north-northeast faults offset by later northwest oriented structures. Gold mineralisation is strongly structurally controlled, with the interplay between these structures and the brittle porphyritic sills providing conditions conducive to the formation of high grade gold deposits.

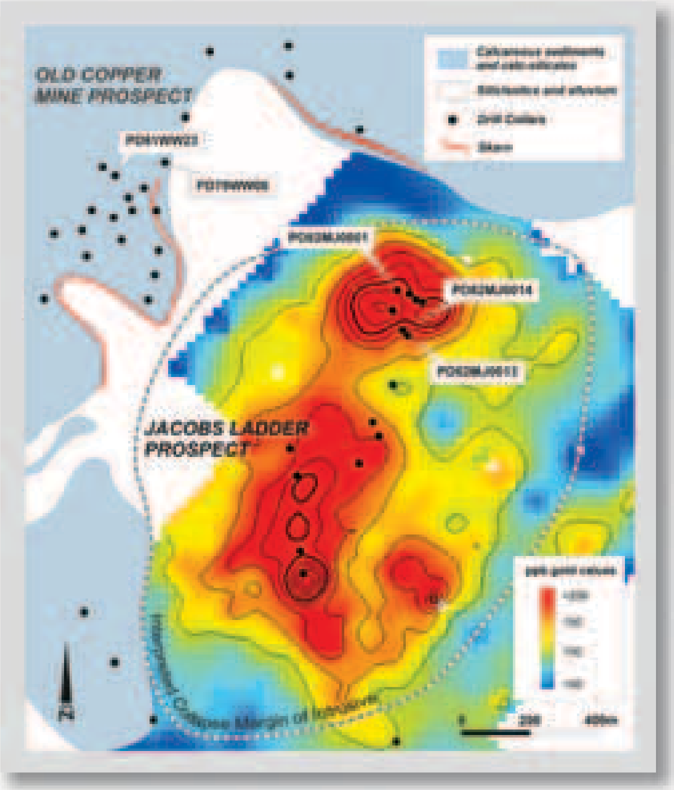
Within the West Wyoming joint venture tenements, interpretation of regional magnetic data and other information by Raptor and PlatSearch has indicated that northwest and north-northeast oriented structures, similar to those found at Wyoming and Caloma may be present. Previous exploration focussed on the northern and southern parts of the joint venture area, but there has been almost no significant exploration conducted over the central region where these structures are interpreted to occur.

PlatSearch has completed data compilation and geological modelling and has initiated contact with landholders in the region as a first step towards commencing regional RAB/aircore traverses across the key targets identified to date.

NEW ENGLAND FOLD BELT

Mineralisation at the **Kempsey** project, located 40 kilometres west of Kempsey, occurs in association with a belt of I-type granite intrusives, known elsewhere for intrusive-related gold, molybdenum and tin mineralisation.

Previous drilling by BHP Limited and CRA Exploration confirmed that a large scale alteration zone and associated mineralised system exists within the licence area. Two separate, yet genetically linked, mineralisation styles have been identified by PlatSearch at the Old Copper Mine Prospect (a tin and copper-silver rich skarn system) and at the Jacobs Ladder Prospect (an intrusive-related, gold-rich sheeted and stockwork vein system). PlatSearch believes the two deposit styles are the result of a mineralising intrusion driving the gold-rich stockworks at Jacobs Ladder and the related skarn development at the Old Copper Mine prospect.



Gold-in-soil anomaly over the Jacobs Ladder Prospect

The Jacobs Ladder prospect is defined by a large (1,000 metres x 600 metres at greater than 0.1 g/t gold) gold-in-soil anomaly over thermally metamorphosed sandstones and siltstones. Previous explorers drilled 20 largely shallow percussion holes into the gold anomaly, all intersecting mineralised intervals at greater than 0.1 g/t gold, with many holes ending in mineralisation.

Intersections included 114 metres at 0.28 g/t gold from surface (PD82MJ0013), 9 metres at 1.37 g/t gold from surface (PD82MJ0001) and 88 metres at 0.40 g/t gold (PD82MJ0014). This gold mineralisation appears associated with a sub-vertical, sheeted vein system interpreted to have formed over the top of a deeper mineralised intrusive.

PlatSearch has commenced base line geochemical surveying and applied for approvals to commence exploration work, which will include diamond drilling to test the source of the gold mineralisation found within the overlying sediments.

INVESTMENTS

Platsearch maintains a strong and diversified portfolio of investments within a number of ASX-listed resource companies. These holdings are a direct result of PlatSearch vending tenements and projects generated by the Company into junior exploration companies in return for shares and / or options, and the continued participation by PlatSearch in later capital raisings by these companies.

Over the last few years this strategy has been very successful, resulting in very strong returns for the Company. This is exemplified by the sale of PlatSearch's Chesser Resources (ASX: CHZ) holdings during the latter part of 2010 for approximately $3 million, or more than ten times the original investment. Similarly, during 2011 the Company also reduced its holdings in Aguia Resources netting a further $0.3 million, again well above the original investment.

During the year PlatSearch continued this investment strategy through contributing further capital into WPG Resources Limited (ASX: WPG), participating in the placement and rights issue at $0.68 per share (total investment of $0.74 million), as well exercising 12 million $0.12 options in Eastern Iron (total value of $1.4 million) to increase its ownership percentage to 48.3% of issued shares.

On 22 August 2011 WPG announced that it had entered conditional agreement for the sale of its iron assets in South Australia to Onesteel Limited (ASX: OST). Consequent to WPG gaining shareholder approval, the company finalised the sale with Onesteel on 6 October for $320 million and announced that it would return $1.05 per WPG share to its shareholders by way of a fully franked dividend ($0.63/s) and capital return ($0.42/s).

PlatSearch owns 10.4 million WPG shares and as a result, will receive a pre-tax cash payment of $10.9 million in early November 2011.

Also during the year, PlatSearch assisted with the successful Initial Public Offerings (IPO) of two companies that it had conceived, incorporated and vended-in exploration assets, Thomson Resources Ltd (ASX: TMZ) and Silver City Minerals Limited (ASX: SCI). Both IPOs progressed well within difficult and volatile market conditions, with the success of each IPO reflective of the excellent broker support and the quality of the exploration portfolios and assembled management.

Thomson successfully raised $4.6 million and Silver City $9.8 million. Both companies add significant value to the PlatSearch investment portfolio and, as of 30 September 2011, the PlatSearch share holding within each had market values of $2.5 million and $2.6 million respectively.

As of 30 September, the total value of the Company's shareholdings in listed resource companies was approximately $21.8 million. Combined with estimated available cash of PlatSearch of $2.7 million (as of 30 September), the asset value of Company, independent of the value of its exploration portfolio, was $24.5 million.

THOMSON RESOURCES

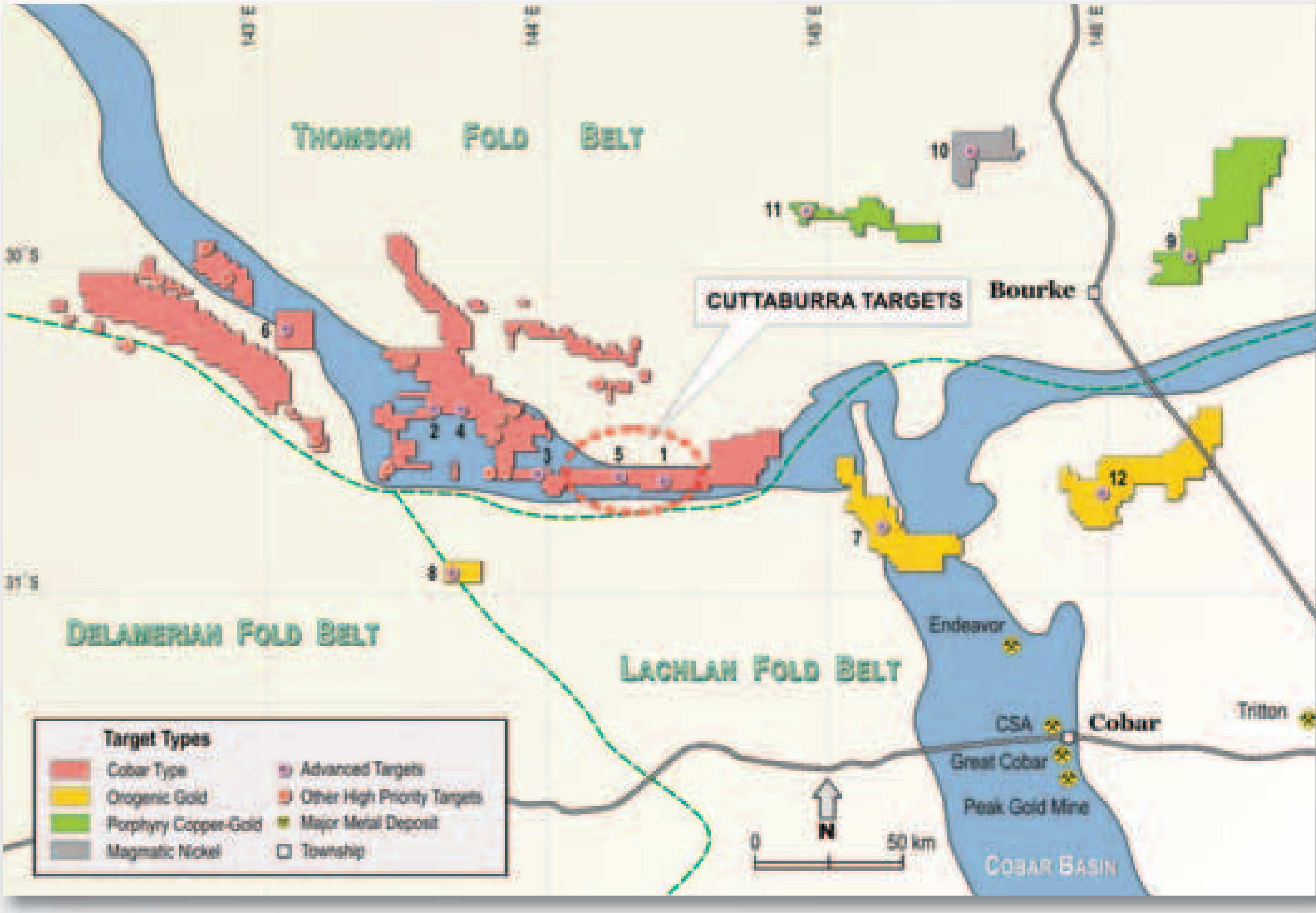
Thomson Resources Ltd is an exploration company focussed on the discovery and development of high quality mineral deposits within the northern NSW. Thomson was incorporated in July 2009 and successfully listed onto the ASX on 17 December 2010, raising $4.6 million. PlatSearch has maintained a 25.7% interest in the company.

Thomson controls a dominant ground position of more than 7,089 square kilometres within the Thomson Fold Belt, recognised as one of Australia's most exciting new mineral provinces. The Thomson Fold Belt has many distinct similarities to the well endowed Lachlan Fold Belt which hosts numerous world-class deposits such as the Peak gold-copper and Endeavor zinc-lead-silver deposits in the Cobar Basin, and the Northparkes and Cadia-Ridgeway porphyry copper-gold systems within the Macquarie Arc, and is interpreted to be its north-western extension.

Over the past four years Thomson Resources, Compass Resources, PlatSearch and Minotaur Exploration have completed extensive geophysics and drilling in the region, identifying more than 30 high quality exploration targets within the exploration tenements. Results from this work are considered highly encouraging, providing strong indications that mineral deposits may be present and confirming the many similarities of the region to the Lachlan Fold Belt, including rocks that appear identical to those that host the rich Cobar deposits to the southwest.

Thomson has modelled and interpreted a large volume of aeromagnetic data and identified several important fault structures adjacent a number of prominent magnetic anomalies. The most important are the east-west structures of the Cuttaburra trend (hosting Cuttaburra anomalies A and B, as well as F3, F5, F6 and F23) and the Falcon trend (hosting F16, F17, F18 and F30) which may have acted as fluid pathways and deposition sites for mineralisation.

Thomson commenced drilling of its priority Cobar type base and precious metal targets in May 2011 with an initial focus on the



Cuttaburra target location within the Thomson Fold Belt

Operational Review

Cuttaburra trend. Three core drill holes have been completed at the Cuttaburra A, Ac and B anomalies with assay results received from company's first hole at Cuttaburra B. The hole intersected significant zinc, copper, lead, silver, gold, tin and tungsten (including 0.7 meter @ 4.21% zinc, 0.46% copper and 0.79% tin from 411 meters) in a stockwork-style system of veins of quartz, pyrrhotite and pyrite within a 300 metre zone of strong carbonate and silica alteration.

The two other prospects drilled, Cuttaburra Ac and Cuttaburra A, 5km and 17km west of Cuttaburra B respectively also recorded multiple instances of zinc and lead mineralisation (sphalerite and galena) within extensive zones of alteration characterised by silicification, veining and brecciation indicating substantial mineralised hydrothermal systems. Assays are pending.

More details regarding Thomson's activities can be obtained from its website.

SILVER CITY MINERALS LIMITED

Silver City Minerals Limited successfully completed an IPO and listed onto the ASX on 6 July 2011, raising $9.8 million. The IPO was well supported by both retail and institutional investors, closing well above the minimum subscription of $6 million in a difficult and volatile market. PlatSearch has maintained a 14.6% ownership of Silver City.

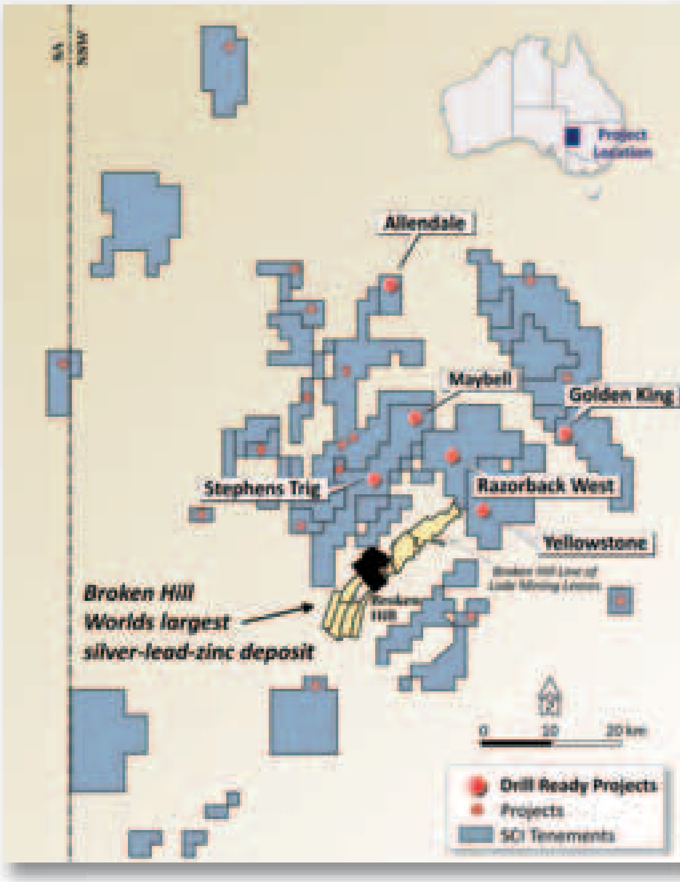
Silver City is undertaking an exploration program targeting silver, gold, and base metals across its large tenement position located in the Broken Hill district of western New South Wales. The company has a range of quality drill targets across six priority project areas which will be the focus of exploration activity in the first twelve months post listing.

Silver City subsequently announced that it had commenced a program of reverse circulation drilling at the Allendale Project located 40 kilometres north of Broken Hill. The drilling is part of a 10,000 metre program designed to test the first of six high priority targets over the next six months as outlined in the Company's prospectus.

The first prospects to be drilled include:

- The Allendale Mine area; an historic, high grade base-metal producer,
- Maybell; a project which has returned high grade silver intersections in early Silver City drilling, and;
- Golden King: an historic gold-copper mine.

These will be followed by drilling at Razorback West, Stephens Trig and Yellowstone.



Silver City tenements and key drill targets

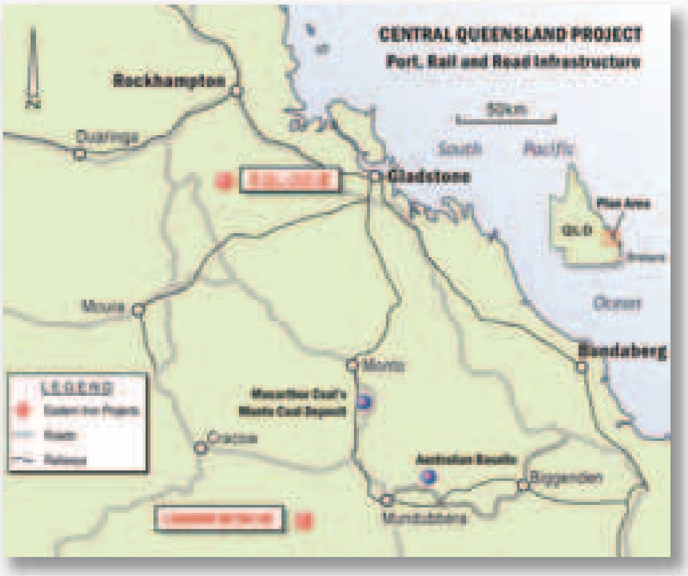
For more details on the project portfolio and exploration programs please refer to the Silver City Minerals prospectus, which can be accessed through its website.

EASTERN IRON LIMITED

Eastern Iron (ASX: EFE) has the rights to significant magnetite iron projects at Hawkwood and Eulogie in central Queensland. The company is assessing the potential of these projects for the development of a large scale iron export operation in an area already well serviced by existing infrastructure.

The Hawkwood Project is located 250 kilometres by rail from the deepwater export port of Gladstone. Eulogie is similarly well placed to infrastructure being located near sealed roads and both the Moura – Gladstone and Blackwater – Gladstone railway lines.

Both project areas contain layered intrusive complexes of the Bushveld Type, South Africa. These intrusions often form large bodies of differentiated igneous rock which exhibit extensive layering (distinct differences in mineral compositions and textures) extending laterally over many square kilometres. They are important hosts for titanium and vanadium-bearing magnetite iron deposits such as Savage River, Tasmania and Balla Balla, Western Australia as well as some of the world's largest platinum-palladium group element (PGE) deposits such as the Merensky Reef, South Africa.



Eastern Iron Central Queensland Iron Projects

Eulogie (EFE 100%)

Eastern Iron commenced a 3,500 metre RC drilling programme aimed at converting a portion of the 500 to 1000 million tonne target resource as identified by Hellman and Schofield to a resource reportable under the JORC code. As of the end year approximately two thirds of the programme was completed with resource estimation due for completion around the end of September.

Mineral Engineering Technical Services (METS) completed an initial metallurgical testwork program on available core from one part of the deposit to help determine the amenability of the magnetite-bearing ore to produce an iron-vanadium concentrate and titanium by-product. Results from this study indicate that an iron concentrate product of around 60% iron (plus 0.5% V_2O_5 and 6-7% TiO_2) could be produced from the project at a coarse grind size of 150 micron.

The resource information compiled from the drilling at Eulogie will be used in a scoping study being carried out for a potential development. Further metallurgical work is also planned.

Hawkwood (EFE earning 80%)

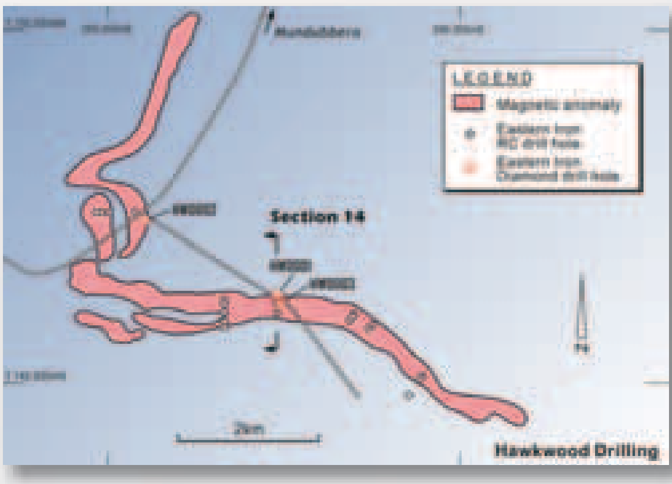
Eastern Iron completed RC and core drilling over the deposit, outlining a large zone of magnetite-bearing ferrigabbro mineralisation over a strike length of seven kilometres. Similar to Eulogie, subsequent modelling work by Hellman and Schofield defined a target resource to a depth of 200 metres of between 500 to 1000 million tonnes of magnetite bearing material. Preliminary metallurgical work has shown potential for coarse grained, high grade magnetite-vanadium concentrates grading 63-67% Fe, 0.5% V_2O_5 and 2-3% TiO_2.

Eastern Iron plans to complete 2,000 metres of RC drilling to supplement earlier work aimed at defining a resource reportable under JORC. Much of the drilling will be focused on the northern extension of the Hawkwood system as defined by detailed aeromagnetics.

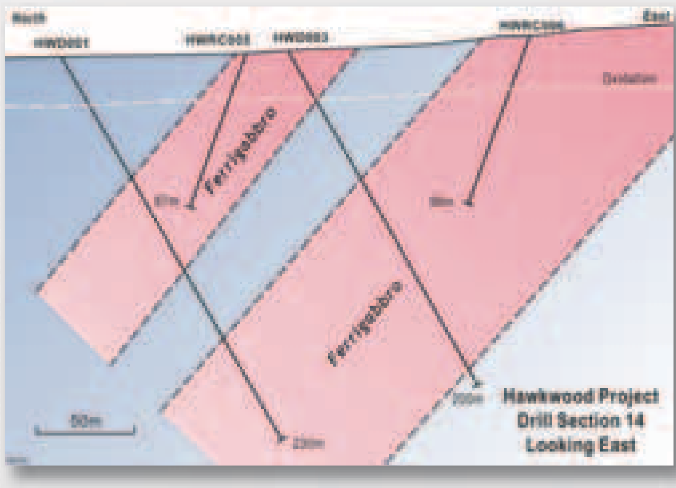
New South Wales - Bulk Tonnage Pisolite Project

In November 2010 Eastern Iron shareholders approved all of the arrangements pursuant to which Eastern Iron farmed its NSW Iron tenements to 3E Steel Pty Ltd. 3E is able to earn up to a 77.5% interest in the tenements by spending $1.9 million. 3E has planned a programme to increase the size and confidence of the current resource and to test, in more detail, the metallurgical characteristics of iron mineralisation. The program includes 6000m of aircore drilling and bulk sampling to obtain samples for metallurgical beneficiation testwork and information for a mining study.

More details regarding Eastern Iron's activities can be obtained from its website.



Hawkwood magnetic anomaly and drill hole locations



Cross section through Hawkwood

WPG RESOURCES LTD

Following the sale of its South Australian iron assets to Onesteel and the distribution of sale proceeds to its shareholders, WPG will retain approximately $87 million (from which it will pay approximately $71 million in tax in April 2012) as well as its 50% shareholding in Southern Coal Holdings Pty Ltd which owns the significant Penrhyn and Lochiel North coal projects in South Australia. It also retains its joint venture with Evergreen Energy Inc to commercialise clean coal technology and its land asset and capacity to develop a bulk export facility at Port Pirie.

The company has commenced a program to review new project investment opportunities.

For further details refer to the WPG website.

AGUIA RESOURCES LIMITED

Aguia Resources (ASX: AGR) is an exploration company that has acquired interests in substantial phosphate and potash projects in Brazil.

Aguia holds two highly prospective and potentially large scale phosphate projects, the Lucena Phosphate Project and the Mata da Corda Phosphate Project. Aguia has also completed the acquisition of a private mineral exploration company, Potassio do Altlantico Ltda, which holds the highly prospective and potentially large scale Atlantic Potash Project in northeastern Brazil.

For further details regarding Aguia's activities, refer to its website.

BUSINESS DEVELOPMENT

As previously outlined to its shareholders, PlatSearch, as well as continuing to pursue its traditional grassroots exploration opportunities, intends acquiring new advanced to brownfield projects in an effort to advance the Company towards production and cash flow.

Recently the Company has identified a range of advanced and brownfield opportunities within Europe and Africa and is progressing further evaluation work. It has now incorporated a wholly owned European subsidiary, established and equipped an office in France and employed a team of experienced European geologists.

It expects that this strategy will result in the Company securing high quality advanced assets offshore

Greg Jones
Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Greg Jones, BSc (Hons), who is a member of the Australasian Institute of Mining and Metallurgy. Mr Jones is a Director of PlatSearch NL and 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".

The information in this report that relates to Target Resource estimates for Eastern Iron Limited is based on information compiled by Arnold Van der Heyden, BSc, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Van der Heyden is a full-time employee of Hellman & Schofield Pty Ltd and 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".

Both Messrs Van der Hayden and Jones consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Schedule of Tenements
as at 6 September 2011

Tenement	Tenement Number	Interest	Joint Venture Details
NEW SOUTH WALES			
Broken Hill			
Mundi Mundi and Euriowie	EL 4657 and 7319	0%	Note 5
Mundi Plains JV	ELs 6404, 7647, 7690, 7625, 7627 7414 and 7733	49%	Teck 51%, UXA can earn can earn 80%
Mundi Plains Cover Rights JV	ELs 6404, 7647, 7690, 7625, 7627 7414 and 7733	50%	Teck 50%
Stephens-Centennial	EL 6132	0%	Notes 1 and 5
Hillston	EL 6363	39.2%	Perilya can earn 80%, Eaglehawk 9.8%
Yanco Glen, Copper King, Big Aller, Mt Robe Apollyon Valley, and Eldee Ck	ELs 5764, 5919, 6147, 5646, 6475 and 6002	0%	Note 4
Iron Bar and Nightrider	ELs 7203 and 7228	0%	Note 5
Ten Mile Bore	EL 7573	100%	
Cobar			
Eastern Iron Projects	ELs 6706, 6711, 6952 and 6956	51%	Eastern Iron 49%, Note 3
Ghostrider Project	ELs 7493 – 7496	100%	-
Lachlan Fold Belt			
Woodlawn South	ELs 7257 and 7469	0%	Royalty interest only
Trundle	EL 4512	0%	Royalty interest only
Wyoming West Project	ELs 6473, 6474 and 7682 and ELA 4325	0%	PlatSearch can earn 80%
Tinman	EL 7076	100%	-
Achilles and Chiron	EL 7746 and ELA 4339	100%	-
Bedrock	EL 7401	100%	-
Thurla	EL 6744	0%	PlatSearch can earn 20%, Bemax 100%
New England			
Kempsey Porphyry	EL 6813	100%	-
Gundle	EL 6932	100%	-

Schedule of Tenements

as at 6 September 2011

Tenement	Tenement Number	Interest	Joint Venture Details
SOUTH AUSTRALIA			
Callabonna	EL 3695	100%	Red Metal can earn 70%
Kalabity	EL 4461	80%	Crossland can earn 60%, Eaglehawk 20%
Mulyungarie	EL 4705	0%	Note 4
Junction Dam	EL 4509	39.2%	Teck 51%, Eaglehawk 9.8%, UXA can earn 80%, Marmota 74.5% in uranium rights only
Quinyambie	EL 4289	52.6%	Red Metal can earn 70%, Note 2
Poverty Lake	EL 3831	90%	Allender 5% and Hosking 5%
Frome	EL 3952	90%	Allender 10%
Wynbring	EL 4403	100%	Bemax can earn 50%
Officer Basin Project	ELAs 2007/246-247 and 2007/286-287	50%	Crossland 50%

EL = Exploration Licence   ELA = Exploration Licence Application   EPM = Exploration Permit for Minerals

Note 1: Endeavour Minerals 1.5% NSR in 4 units of the EL.

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

Note 3: Eastern Iron Limited (EFE) is currently owned 48.65% by PlatSearch and PlatSearch holds options in EFE. EFE holds (100%) ELs 6710, 6671, 6672, 6952, 6953, 6957-6962, 7282, 7283, EPM 18566, application for EPM 18533 and EPCs 2175 and 2206. EFE is also earning an interest in EPMs 15289 and 17099.

Note 4: These tenements are subject to agreements with Silver City Minerals Limited (SCI) whereby SCI must meet expenditure commitments within various time frames. PlatSearch holds an NSR interest in these tenements.

Note 5: These tenements are subject to agreements with SCI whereby SCI must meet expenditure commitments within various time frames. Under an agreement with SCI and Broken Hill Operations, PlatSearch has converted its interest in these tenements to a NSR (Net Smelter Return).

Summary of Joint Ventures

The following is a Summary of Joint Ventures as of 6 September 2011.

Callabonna EL 3695, SA

PlatSearch 100%. Red Metal can earn a 51% interest by spending $1 million and a 70% interest by spending $3 million. 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.

Eastern Iron Project ELs 6706, 6711, 6952 and 6956 6671, NSW

PlatSearch 51% and Eastern Iron 49%. 3E Steel Pty Ltd has agreed to undertake a work program and maintain the tenements in good standing in return for a right of first refusal over any product mined from these tenements.

Poverty Lake EL 3831, Frome EL 3952 (Benagerie JV), SA

PlatSearch is the manager of the JV. EL 3831 PlatSearch 90%, Allender 5% and Hosking 5%; EL3952 PlatSearch 90% and Allender 10%.

Hillston EL 6363, NSW

PlatSearch 39.2% and Eaglehawk 9.8%, Perilya 51%. Perilya can earn an 80% interest in this tenement by completing expenditure of $1.5 million. 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.

Junction Dam EL 4509, SA

PlatSearch 39.2%, Teck 51% and Eaglehawk 9.8% in base and precious metal rights with UXA earning up to 80%. When UXA has earned 80%, Teck's interest will be 0%, PlatSearch (and Eaglehawk) can participate with a 16% interest (4% for Eaglehawk) or dilute to a NSR royalty.

Marmota Energy Limited has earned a 74.5% interest in the uranium rights only, PlatSearch 10%, Teck 13% and Eaglehawk 2.5%. Marmota is sole funding exploration and the other parties are diluting to a point where they will be entitled to receive a royalty of 5% Net Profits on production from a Uranium mine on the tenement.

Kalabity EL 4461, SA

PlatSearch 80% and Eaglehawk 20%. Crossland Uranium Mines can earn a 60% interest by spending $500,000. 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.

Mundi Mundi EL 4657, Euriowie EL 7319, Ironbar EL 7203, Nightrider EL 7228, Yanco Glen EL 5764, Copper King EL 5919, Big Aller EL 6147, Mt Robe EL 5646, Apollyon Valley EL 6475, Stephens-Centennial EL 6132 and Eldee Creek EL 6002, NSW and Mulyungarie EL 4705, SA

Under various agreements with Silver City Minerals Limited, PlatSearch holds a NSR royalty interest.

Mundi Plains ELs 6404, 7647, 7690, 7625, 7627, 7414 and 7733, NSW

PlatSearch 49% and Teck Australia 51% with UXA earning up to an 80% interest. When UXA has earned 80%, Teck's interest will be 0% and PlatSearch can participate with a 210% interest or dilute to a NSR royalty.

Mundi Plains Cover Rights JV, ELs 6404, 7647, 7690, 7625, 7627, 7414 and 7733, NSW

PlatSearch 50% and Teck Australia 50%. PlatSearch is earning 100% in the cover rights on these tenements by spending $1 million within 3 years subject to Teck's right to earn back an interest from PlatSearch under two options once a JORC Resource has been estimated. Under the first option Teck can earn back 51% from PlatSearch by incurring and sole funding expenditure 2.5 times the total PlatSearch expenditure within a set time frame. Under the second option Teck can earn back 80% from PlatSearch by incurring and sole funding expenditure 2.5 times the total PlatSearch expenditure plus an additional $5 million within a certain time frame.

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

PlatSearch 50% and Crossland Uranium Mines 50%.

Quinyambie EL 4289, SA

PlatSearch and Allender, Kennedy, Aurelius Resources, Hosking and Houldsworth (collectively Dolores Group 47.4%). Red Metal can earn a 70% interest 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.

Summary of Joint Ventures

Thurla EL 6477, NSW

Bemax 100% PlatSearch can earn a 20% interest by providing Bemax with services to the value of $100,000 within four years.

Trundle EL 4512, NSW

PlatSearch holds a NSR royalty interest.

Woodlawn South ELs 7257 and 7469, NSW

PlatSearch holds a NSR royalty interest.

Wyoming West JV ELs 6473, 6474 and 7682 and ELA 4325, NSW

Raptor Minerals Limited 100%, PlatSearch 0% but can earn 80%. PlatSearch must spend $250,000 on the tenements within 18 months to earn a 50% interest. PlatSearch may earn an 80% interest by spending an additional $250,000 within an additional 12 months.

Wynbring EL 4403, SA

PlatSearch 100%, Bemax can earn a 50% interest by spending $600,000 within four years.

Your directors submit their report for the year ended 30 June 2011.

DIRECTORS

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

Patrick Elliott, BCom, MBA, CPA
Chairman

Patrick was appointed a Director of the Company on 22 December 2008 and is a company director specialising in the resources sector with 36 years' experience in investment and corporate management. His early career was at Consolidated Gold Fields Australia Limited and covered investment analysis and management, minerals marketing (copper, tin, rutile and zircon). In 1979 he went into investment banking and became Head of Corporate Finance for Morgan Grenfell Australia Limited in 1982. Patrick subsequently became Managing Director of Natcorp Investments Ltd in 1986 which owned a number of manufacturing businesses. After its takeover he became an active early stage venture capital investor with an emphasis on resources.

Patrick is Chairman of Argonaut Resources NL, Australia Oriental Minerals NL and MIL Resources Ltd, the latter company in which he is also the managing director. He is also a director of a number of privately owned companies.

During the past three years Patrick has also served as a director of the following other listed companies:

Argonaut Resources NL - appointed June 2003
Australia Oriental Minerals NL – appointed November 1998
MIL Resources Ltd – appointed 1980, resigned July 2011
Crossland Uranium Mines Limited – appointed May 2003
Global Geoscience Limited – appointed April 2003

Gregory Jones, BSc (Hons 1) (UTS), MAusIMM
Managing Director

Greg was appointed Chief Executive Officer of the Company on 1 January 2009 and Managing Director from 20 April 2009. He is a geologist with 31 years of exploration and operational experience gained in a broad range of metalliferous commodities both within Australia and overseas. Greg has held senior positions in a number of resource companies including Western Mining Corporation and Sino Gold Limited and his experience spans the spectrum of exploration activity from grass-roots exploration through to resource definition and new project generation, as well as mine geology, ore resource/reserve generation and new mine development.

Greg was awarded the Institute Medal for academic excellence whilst at university and is credited with several economic discoveries including the Blair nickel and the Orion gold deposits in Western Australia.

During the past three years Greg has also served as a director of the following other listed companies:

- Eastern Iron Limited – appointed April 2009
- Silver City Minerals Limited – appointed April 2009
- Thomson Resources Ltd – appointed July 2009

Kwan Chee Seng
Non-Executive Director

Chee Seng was appointed a Director of the Company on 17 February 2009. Chee Seng has investments in the renewable sustainable energy, base metal resources and the biotechnology businesses. He has extensive experience in senior management and in business. He is a Non-Executive Director and a major shareholder of Singapore listed Van der Horst Energy Limited. Kantilal Champaklal became an alternate director for Chee Seng from 9 March 2009.

During the past three years Chee Seng also served as a director of Viking Offshore and Marine Ltd (formerly known as Novena Holdings Limited) until 16 April 2010.

Dr Foo Fatt Kah, MB, BCh, BAO, MBA
Non-Executive Director

Dr Foo was appointed a Director of the Company on 7 October 2009. Dr Foo has over 20 years' experience in the investment banking, fund management and advisory businesses spanning Europe and Asia. He was previously Head of Asian Equities for SG Securities Asia (the Asian Investment Banking business for Societe Generale) covering 10 Asian countries ex-Japan. Since 2004 Dr Foo has been active as an investor and advisor, overseeing investments in Resources, Energy and Healthcare.

Dr Foo is qualified in Medicine (MB, B Ch, BAO) and Business Administration (M.B.A.) from the Queen's University, United Kingdom, with further continuing education qualifications from Insead on Economic Value Added (EVA) and International Project Management. He has experience with listed companies in Singapore, being previously Executive Director of CyberVillage Holdings Ltd and currently Lead Independent Director of PEC Ltd.

During the past three years Dr Foo has not served as a director of any other listed companies.

Robert Waring, BEc (Sydney), CA, FCIS, FFin, MAusIMM, FAICD
Non-Executive Director and Company Secretary
(resigned 31 December 2010)

Company Secretary since 1990 and Director since February 1995 and resigned as Director and Company Secretary on 31 December 2010.

Bob Richardson, BSc (Sydney), BE (Hons) (Sydney), MAusIMM, MASEG
Non-Executive Director
(resigned 23 July 2010)

Mr Richardson was Managing Director until his resignation on 31 December 2008. He resigned as a Non-Executive Director on 23 July 2010.

Kantilal Champaklal
Alternate Director to Kwan Chee Seng

Kantilal was appointed an alternate director to Mr Kwan on 9 March 2009.

Directors' interests in shares and options

As at the date of this report, the interests of the Directors in the shares and options of PlatSearch NL were:

Directors	Shares directly and indirectly held	Options directly and indirectly held
P Elliott	2,352,345	1,600,000
G Jones	1,000,000	6,300,000
C S Kwan	46,184,836	2,000,000
F K Foo	-	1,600,000
K Champaklal	-	1,000,000

COMPANY SECRETARY

Ivo Polovineo, FIPA

Ivo Polovineo was appointed Company Secretary of the Company on 31 December 2010. Ivo has over 30 years' experience in corporate accounting, finance and company secretarial work for a diverse range of companies. He has spent the past 20 years in senior management roles in the resources sector including seven years as Company Secretary (and five years as CFO) of Sino Gold Mining Limited (a former ASX 100 company) until December 2009. Ivo is currently also a Company Secretary of Lynas Corporation Ltd (ASX 100 company), Thomson Resources Ltd, Silver City Minerals Ltd and is a Director of ASX listed Eastern Iron Limited.

PRINCIPLE 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 was a profit of $2,996,675 (2010: profit of $85,006) which includes the write-off of exploration expenditure during the year of $792,730 (2010: $127,206).

DIVIDENDS

No dividends were paid or proposed during the year.

REVIEW OF OPERATIONS

The most significant developments in the Company's operations and financing activities were:

- Share sales, where the Company sold its shareholding in Chesser Resources Limited and part of its shareholding in Aguia Resources Limited for a total of $3.3 million.
- Capital raising where the Company raised $2.5million in a convertible note.
- Investments where the Company exercised $1.4million worth of options in Eastern Iron Limited to take its shareholding to 48.3% and participated in a capital raising by WPG Resources Ltd to increase its shareholding to 10.4 million shares.
- Ten farm-ins and joint ventures were in place by year end as follows –
  1. Junction Dam uranium joint venture (Broken Hill region) where Marmota Energy Ltd can earn up to 95% interest in the Tertiary uranium rights
  2. Mundi Plains and Junction Dam joint venture (Broken Hill region) with UXA Resources Ltd earning up to 80% interest in the projects.
  3. Mundi Plains cover rights joint venture where PTS may earn up to 100% from Teck Australia Pty Ltd
  4. Quinyambie and Callabonna joint venture (South Australia) with Red Metals Ltd earning up to an 80% interest
  5. Hillston joint venture (Broken Hill region) where Perilya Limited can earn up to an 80% interest
  6. Wyoming West joint venture where PlatSearch can earn up to a 75% interest in the copper/gold project east of Wyoming / Caloma from Raptor Resources

7. Kalabity uranium joint venture where Crosslands Uranium Mines Ltd can earn up to a 60% interest in the property (PTS at 20%)
8. Wynbring, SA where Bemax Resources Ltd can earn up to an 80% interest in the heavy mineral sands rights within the project area
9. Thurla, NSW where PlatSearch can earn a 20% interest by providing Bemax with services to the value of $100,000 within four years
10. The Eastern CID iron project joint venture with Eastern Iron where PTS has a 51% interest in channel iron deposits east of Cobar NSW

- PlatSearch incorporated an EU registered company and opened an office in France with the view of acquiring advanced projects.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2011 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, other than:

On 22 August 2011, WPG Resources Ltd (WPG) announced the proposed sale of all of its iron ore assets to a subsidiary of OneSteel Limited (One Steel) for total proceeds of approximately $346 million to be effected by the sale of three wholly owned subsidiaries of WPG, namely, Southern Iron Pty Ltd, Central Iron Pty Ltd and Coober Pedy Resources Pty Ltd (the Transaction).

If the Transaction proceeds to Completion, WPG has announced that it intends to make a tax-effective distribution of the bulk of the net Transaction proceeds to Shareholders by way of a capital return and a franked dividend. The total distribution will be $1.05 per share, consisting of a capital return of $0.42 per share and a fully franked dividend of $0.63 per share, with an attaching franking credit of $0.27 per share.

The transaction is subject to certain conditions including approval by WPG shareholder at an EGM to be held on 4 October 2011. At 30 June 2011 the Group held 10,407,837 shared in WPG – refer Note 8(a).

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer 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.

Insurance premiums

During the financial period the Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

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.

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.

SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

Details of unissued shares or interests under option for PlatSearch NL as at the date of this report are:

No. shares under option	Class of share	Exercise price of option	Expiry date of options
2,280,000	Ordinary	$0.14	27 Nov 2011
300,000	Ordinary	$0.18	28 May 2012
900,000	Ordinary	$0.14	9 Feb 2014
8,750,000	Ordinary	$0.18	27 Nov 2014
1,140,000	Ordinary	$0.18	27 Nov 2014
1,500,000	Ordinary	$0.18	27 Nov 2014
6,250,000	Ordinary	$0.30	25 Nov 2015
2,850,000	Ordinary	$0.30	25 Nov 2015
23,970,000			

The holders of these options do not have the right, by virtue of the option, to participate in any share issue of the Company or of any other body corporate or registered scheme.

There were no shares issued during or since the end of the financial year as a result of exercise of the above options.

Refer to the remuneration report and Note 19 for further details of the options outstanding.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2011 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of Key Management Personnel

Details to KMP including the top five remunerated executives of the Parent and Group are set out below.

Directors and Key Management Personell	
Patrick Elliott	Chairman (Non-Executive)
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 (resigned 31 December 2010)
Robert Richardson	Non-Executive Director (resigned 23 July 2010)
Kantilal Champaklal	* Alternate director for Kwan Chee Seng
Ivo Polovineo	Company Secretary (appointed 31 December 2010)
Peter Buckley	Exploration Manager (resigned 14 March 2011)
Chris Hosie	Exploration Manager (appointed 21 March 2011)
Wendy Corbett	Managing Geologist
Michelle Lilley	Financial Controller
Nigel Maund	Business Development Manager
Greg De Ross	Managing Director of Subsidiary – Eastern Iron Limited

Remuneration philosophy

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- Competitiveness and reasonableness.
- Acceptability to shareholders.
- Performance linkage/alignment of executive compensation.
- Transparency.
- Capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long term incentives in line with the Company's limited financial resources.

Fees and payments to the Company's Non-Executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-Executive Directors, Senior Executives and Officers are entitled to receive options under the Company's Employee Share Option Scheme.

Non-executive directors remuneration arrangements

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-Executive Directors (NED) may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the NED's has been fixed at a maximum of $250,000 per annum to be apportioned among the NED's in such a manner as the Board determines. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

The Chairman's fee was set at $11,550 p.a. and NED fees at $11,550 p.a. for the year ended 30 June 2011. As at 1 October 2011 the Board resolved to increase the Chairman's fee to $50,000 p.a. and NED fees to $36,000 p.a. which is consistent with industry average fees. At present, no Committee fees are paid to Directors.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in employment contracts and contractor agreements. Details of these arrangements are set out below:

Managing Director – Greg Jones

- Contract term: No fixed term. Either party may terminate the letter of employment with one months' notice.
- Remuneration: $250,000 p.a. as at 30 June 2011 to be review annually.
- Termination payments: A three month severance pay with an additional three months after more than five years.

Non-Executive Director – Rob Waring

- Contract term: Contract was terminated on 31 December 2010.
- Remuneration: $192 per hour plus GST until resignation in December 2010.
- Termination payments: Nil.

Company Secretary – Ivo Polovineo

- Contract term: Commenced 1 January 2011. 12 month rolling contract. Either party may terminate the contract with one months' notice.
- Remuneration: $1,250 per day plus GST as at 30 June 2011.
- Termination payments: Nil.

Exploration Manager – Peter Buckley

- Contract term: No fixed term, Peter resigned on 14 March 2011. Either party may terminate the contract with one months' notice.
- Remuneration: $136,000 p.a. until resignation in March 2011.
- Termination payments: A two month severance pay with an additional one month after more than five years.

Exploration Manager – Chris Hosie

- Contract term: No fixed term, employment commenced 21 March 2011. Either party may terminate the contract with one months' notice.
- Remuneration: $152,600 p.a. as at 30 June 2011 to be reviewed annually.
- Termination payments: A three month severance pay with an additional three months' after more than five years.

Managing Geologist – Wendy Corbett

- Contract term: Rolling contract. Either party may terminate the agreement with one months' notice.
- Remuneration: $99 per hour plus GST for consultancy services as at 30 June 2011. Increased to $104 per hour plus GST from 1 July 2011.
- Termination payments: Nil.

Financial Controller – Michelle Lilley

- Contract term: Rolling contract. Either party may terminate the agreement with one months' notice.
- Remuneration: $93 per hour plus GST for consultancy services as at 30 June 2011. Increased to $98 per hour plus GST from 1 July 2011.
- Termination payments: Nil.

Business Development Manager – Nigel Maund

- Contract term: No fixed term. Either party may terminate the letter of employment with one months' notice.
- Remuneration: $220,000 p.a. as at 30 June 2011 to be review annually.
- Termination payments: A three month severance pay with an additional three months after more than five years.

Managing Director (Eastern Iron) – Greg De Ross

- Contract term: No fixed term. Either party may terminate the letter of employment with two months' notice.
- Remuneration: $260,000 p.a. as at 30 June 2011 to be review annually. Increased to $273,000 p.a. from 1 July 2011.
- Termination payments: A three month severance pay with an additional three months after more than five years.

Directors and Key Management Personnel remuneration (consolidated) for the year ended 30 June 2011

	Short Term Benefits		Post Employment	Share-Based		
	Cash salary and fees $	Consulting fees $	Super-annuation $	payments Options $	Total $	Consisting of options %
Directors						
P Elliott	12,265	-	-	30,000	42,265	71%
G Jones	229,358	27,000	20,642	135,850	412,850	33%
C S Kwan	11,550	-	-	100,000	111,550	90%
F K Foo	11,550	-	-	30,000	41,550	72%
R Waring	-	50,016	-	37,500	87,516	43%
R Richardson	-	4,406	-	-	4,406	-
K Champaklal	-	-	-	-	-	-
Total Directors	264,723	81,422	20,642	333,350	700,137	
Other key management personnel						
I Polovineo	-	47,950	-	39,780	87,730	45%
P Buckley	83,181	18,266	7,486	20,850	129,783	16%
C Hosie	39,846	-	3,586	23,205	66,637	35%
W Corbett	-	101,888	-	44,850	146,738	31%
M Lilley	-	105,183	-	49,425	154,608	32%
N Maund	201,835	-	18,165	51,471	271,471	19%
G De Ross	238,532	-	21,468	28,480	288,480	10%
Total KMP	563,394	273,287	50,705	258,061	1,145,477	
Totals	828,117	354,709	71,347	591,411	1,845,584	

** Note: Included in consulting fees are Eastern Iron Limited directors fees paid to KMP of $77,366 in 2011 (2010: $24,000).*

Directors and other Key Management Personnel remuneration (consolidated) for the year ended 30 June 2010

	Short term benefits		Post employment	Share-based		
	Cash salary and fees $	Consulting fees $	Super-annuation $	payments Options $	Total $	Consisting of options %
Directors						
P Elliott	10,835		715	63,600	75,150	85%
G Jones	217,892	16,000	19,610	206,700	460,202	45%
C S Kwan	11,550		-	127,200	138,750	92%
F K Foo	8,662		-	63,600	72,262	88%
R Waring	-	121,728	-	31,800	153,528	21%
R Richardson	10,596	27,428	954	31,800	70,778	45%
K Champaklal	-	-	-	-	-	-
Total Directors	259,535	165,156	21,279	524,700	970,670	
Other key management personnel						
I Polovineo	-	-	-	-	-	-
P Buckley	124,773	8,000	11,230	16,080	160,083	10%
C Hosie	-	-	-	-	-	-
W Corbett	-	110,675	-	18,760	129,435	15%
M Lilley	-	64,891	-	13,400	78,291	17%
N Maund	40,367	-	3,633	-	44,000	-
G De Ross	79,511	-	7,156	56,960	143,627	40%
Total KMP	244,651	183,566	22,019	105,200	555,436	
Totals	504,186	348,722	43,298	629,900	1,526,106	

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

Compensation options: granted and vested during the year (consolidated)

The following options were granted during the financial year.

Share-based payments awarded during the year to directors and key management personnel

	Grant date	Granted no.	Vested no	Vested %	Value of options granted at the grant date (Note 19) $	Options exercised no.	Value of options exercised at the exercise date $	Value of options lapsed at the date of lapse $
2011								
P Elliott	25 Nov 10	600,000	600,000	100	30,000	-	-	-
G Jones	25 Nov 10	2,300,000	2,300,000	100	115,000	-	-	-
C S Kwan	25 Nov 10	2,000,000	2,000,000	100	100,000	-	-	-
F K Foo	25 Nov 10	600,000	600,000	100	30,000	-	-	-
R Waring	25 Nov 10	750,000	750,000	100	37,500	-	-	-
R Richardson	-	-	-	-	-	-	-	-
K Champaklal	-	-	-	-	-	-	-	-
I Polovineo	12 May 11	600,000	600,000	100	39,780			
C Hosie	12 May 11	350,000	350,000	100	23,205			
W Corbett	17 Dec 10	400,000	400,000	100	24,000	-	-	-
M Lilley	17 Dec 10	650,000	650,000	100	39,000	-	-	-
N Maund	23 Aug 10	2,000,000	500,000	25	119,000	-	-	-
G De Ross	-	-	-	-	-	-	-	-

The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian Accounting Standards.

For details on the valuation of the options, including models and assumptions used, please refer to Note 19.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period.

The Company has established an ESOP for the benefit of Directors, officers, senior executives and consultants.

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.

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.

There is no retirement scheme for Non-Executive Directors.

MEETINGS OF DIRECTORS

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director.

	Board of directors		Remuneration committee		Audit committee	
	Held	Attended	Held	Attended	Held	Attended
Directors						
P J D Elliott	5	5	1	1	2	-
G F P Jones	5	5	1	1	2	2
C S Kwan	5	5	1	1	-	-
F K Foo	5	4	-	-	2	2
R J Waring (resigned 31/12/10)	3	3	-	-	-	-

Non-audit services

The following non-audit services were provided by the Company's primary auditor, Ernst & Young Australia. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditor's imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young Australia received or is due to receive the following amounts for the provision of non-audit services:

- Non-audit related services $32,860

Signed at Sydney this 29th day of September 2011 in accordance with a resolution of the Directors.

Greg Jones
Managing Director

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

ERNST & YOUNG

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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 2011, 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
29 September 2011

Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Statement Of Comprehensive Income

	Note	2011 $	2010 $
Revenue and other income	3	7,881,310	1,990,074
ASX and ASIC fees		(51,808)	(54,082)
Auditors' remuneration		(106,635)	(88,653)
Contract admin/geological services		(311,854)	(317,773)
Depreciation expense	13	(27,575)	(18,205)
Directors' fees		(163,977)	(127,439)
Exploration expenditure written-off	14	(792,730)	(127,206)
Insurance		(32,428)	(20,275)
Interest on convertible note	17	(276,111)	-
Loss on options – mark to market		(412,800)	(468,623)
Operating lease rental expense		(91,096)	(64,407)
Employee costs net of on-costs recharged to exploration projects		(1,026,635)	(550,417)
Share of net losses of associate accounted for by the equity method	9	(35,079)	(241,541)
Share registry costs		(35,749)	(20,583)
Share-based compensation	19	(698,011)	(642,764)
Singapore listing costs		(227,830)	(57,522)
Other expenses		(389,230)	(28,911)
Gain/(loss) before income tax expense		3,201,762	(838,327)
Income tax benefit/(expense)	4	(205,087)	923,333
Profit after tax		2,996,675	85,006
Other comprehensive income			
Net fair value gains on available-for-sale financial assets		1,978,851	3,342,489
Transferred realised gains to other income		(779,142)	-
Income tax on items of other comprehensive income		(359,913)	(1,136,018)
Other comprehensive income for the period, net of tax		839,796	2,206,471
Total comprehensive income for the period		3,836,471	2,291,477
Profit for the period is attributable to:			
Non-controlling interests		(489,326)	(304,678)
Owners of the parent		3,486,001	389,684
		2,996,675	85,006
Total comprehensive income for the period is attributable to:			
Non-controlling interests		(489,326)	(238,664)
Owners of the parent		4,890,797	2,530,141
		4,401,471	2,291,477
Earnings per share Basic Earnings per share (cents per share)	21	1.99	0.23
Diluted Earnings per share (cents per share)	21	1.99	0.23

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

Consolidated Statement Of Financial Position

	Note	2011 $	2010 $
Assets			
Current assets			
Cash and cash equivalents	6	6,887,732	4,757,247
Receivables	7	222,340	120,403
Tenement security deposits	12	12,500	-
Total current assets		7,122,572	4,877,650
Non-current assets			
Investments – available for sale	8	11,381,595	6,818,631
Investment in associates	9	1,805,426	1,325,800
Derivative financial instruments	11	1,398,060	975,000
Tenement security deposits	12	235,850	272,500
Property, plant and equipment	13	221,014	55,638
Deferred exploration and evaluation expenditure	14	3,125,172	2,163,797
Total non-current assets		18,167,117	11,611,366
Total assets		25,289,689	16,489,016
Liabilities			
Current liabilities			
Trade and other payables	15	544,662	262,615
Provisions	16	55,854	39,828
Total current liabilities		600,516	302,443
Non-current liabilities			
Provisions	16	17,555	12,154
Deferred tax liability	4	565,000	-
Derivative liability	17	300,475	-
Convertible note	17	951,109	-
Total non-current liabilities		1,834,139	12,154
Total liabilities		2,434,655	314,597
Net assets		22,855,034	16,174,419
Equity			
Equity attributable to equity holders of the parent			
Contributed equity	18	14,515,132	14,515,132
Reserves	20	7,212,455	4,936,892
Accumulated losses		(4,210,671)	(7,696,672)
Parent interests		17,516,916	11,755,352
Non-controlling interests	10	5,338,118	4,419,067
Total equity		22,855,034	16,174,419

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

Consolidated Statement Of Cash Flows

	Note	2011 $	2010 $
Cash flows from operating activities			
Payment to suppliers and employees		(2,220,921)	(1,448,964)
Consultancy fees received and rental income		240,014	238,000
R&D tax offset		266,973	-
Interest received		309,205	224,000
Net cash flows used in operating activities	29	(1,404,729)	(986,964)
Cash flows from investing activities			
Purchase of plant and equipment		(180,875)	(32,000)
Expenditure on mining interests (exploration)		(1,692,168)	(736,000)
Purchase of shares – investments		(1,236,120)	(1,357,000)
Proceeds of sale of shares		3,292,702	-
Tenement security deposits (paid)/recovered		27,500	5,000
Net cash flows from/(used in) investing activities		211,039	(2,120,000)
Cash flows from financing activities			
Proceeds from issue of shares		1,056,890	3,983,810
Payment of share issue costs		-	(278,057)
Proceeds from convertible note		2,500,000	-
Convertible note costs		(219,589)	-
Net cash flows from financing activities		3,337,301	3,705,753
Net foreign exchange differences		(13,126)	-
Cash and cash equivalents at beginning of period		4,757,247	4,158,458
Cash and cash equivalents at end of period	29	6,887,732	4,757,247

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Consolidated Contributed equity $	Accumulated losses $	Reserves interest $	Non-controlling $	Total equity $
At 1 July 2009		**10,657,060**	**(8,086,356)**	**2,179,293**	**4,527,872**	**9,277,869**
Profit/(loss) for the period		-	389,684	-	(304,678)	85,006
Other comprehensive income		-	-	2,206,471	-	2,206,471
Total comprehensive income for the period		-	389,684	2,206,471	(304,678)	2,291,477
Transactions with owners in their capacity as owners:						
Issue of share capital	18	3,858,072	-	-	104,237	3,962,309
Transfer to reserves	20	-	-	(34,676)	34,676	-
Share-based payments	20	-	-	585,804	56,960	642,764
At 30 June 2010		14,515,132	(7,696,672)	4,936,892	4,419,067	16,174,419
At 1 July 2010		14,515,132	(7,696,672)	4,936,892	4,419,067	16,174,419
Profit/(loss) for the period		-	3,486,001	-	(489,326)	2,996,675
Other comprehensive income		-	-	839,796	-	839,796
Total comprehensive income/(loss) for the period		-	3,486,001	839,796	(489,326)	3,836,471
Transactions with owners in their capacity as owners:						
Issue of share capital		-	-	-	1,056,890	1,056,890
Transfer to reserves	20	-	-	(194,432)	194,432	-
Share-based payments	20	-	-	540,956	157,055	698,011
Foreign currency translation	20	-	-	(5,925)	-	(5,925)
Convertible note option	20			1,095,168	-	1,095,168
At 30 June 2011		14,515,132	(4,210,671)	7,212,455	5,338,118	22,855,034

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

1. CORPORATE INFORMATION

The financial report of PlatSearch NL (the Company or PlatSearch) for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 29 September 2011.

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

The consolidated financial statements comprise the financial statements of PlatSearch NL and its subsidiaries (the Group or Consolidated Entity).

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

As at 30 June 2011, a number of accounting standards have been issued with applicable commencement dates subsequent to the year end. PlatSearch does not believe that the adoption of these changes will materially impact the results of the Company.

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).

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.

Non-controlling interests are allocated their share of profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributable to the non-controlling interest even if that results in a deficit balance.

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. The Group applies defacto control in its subsidiaries and as a result subsidiaries with defacto control are consolidated into the accounts.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquire and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquire. For each business combination, the acquirer measures the non-controlling interest in the acquire either at fair value of at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, is shall not be remeasured.

Cash and cash equivalents

Cash and shortterm deposits in the Statement of Financial Position 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 Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, if any.

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.

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.

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 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.

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 purchases and sales of financial assets are recognised on the trade date i.e. 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 have been transferred.

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 Statement of Financial Position.

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.

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 transactions; 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 Statement of Financial Position 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 Statement of Comprehensive Income, 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 longterm 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.

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.

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 3 years (2010: 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.

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.

Leases

In determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

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.

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.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e.an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Convertible notes

The component of convertible note that exhibits characteristics of a borrowing is recognised as a liability in the Balance Sheet, net of transaction costs. On issue of convertible note, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The component of the note that exhibits characteristics of a derivative is recognised as a liability in the Balance Sheet. The option is carried at fair value and is subsequently remeasured at each reporting date, with any movement recognised in the income statement.

The remainder of the proceeds is allocated to the equity component and is recognised in shareholders' equity, net of tax effects. The carrying amount of the equity component is not remeasured in subsequent years.

Convertible notes are classified as non-current liabilities unless the Group has an unconditional obligation to settle the liability within 12 months after the reporting date.

Employee entitlements

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.

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.

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 binomial 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.

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.

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.

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.

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.

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.

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.

Receivables and payables are stated with the amount of GST included.

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

Cash flows are included in the Statement of Cash Flows 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.

Currency

Functional currency translation

The functional and presentation currency for the parent company is Australian dollars ($). The functional currency of overseas subsidiaries is the local currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the translation. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of Group Companies' functional currency to presentation currency

The results of the French subsidiaries are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date.

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.

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.

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.

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:

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.

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.
- 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.

New accounting standards and interpretations

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report. Adoption of these Standards did not have any effect on the financial position or performance of the Consolidated Entity.

AASB 2009-5 (Application date 1 January 2010)

Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project – The subject of amendments to the standards are set out below:

- AASB 8 – Disclosure of information about segment assets
- AASB 101 – Current/non-current classification of convertible instruments

Accounting standards issued but not yet effective

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2011.

AASB 9 Financial Instruments (Application date 1 January 2013)

AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).

(a) These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below.

(b) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.

(c) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

ASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (Application date 1 January 2013)

- These amendments arise from the issuance of AASB 9 Financial Instruments that sets out requirements for the classification and measurement of financial assets. The requirements in AASB 9 form part of the first phase of the International Accounting Standards Board's project to replace IAS 39 Financial Instruments: Recognition and Measurement.
- This Standard shall be applied when AASB 9 is applied.

AASB 124 (Revised) Related Party Disclosures (December 2009) (Application date 1 January 2011)

The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:

(a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other

(b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other

(c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other

A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

AASB 2009-12 Amendments to Australian Accounting Standards (Application date 1 January 2011)

This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations.

In particular, it amends AASB 8 Operating Segments to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. It also makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.

AASB 1053 Application of Tiers of Australian Accounting Standards (Application date 1 July 2013)

This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:

(a) Tier 1: Australian Accounting Standards

(b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

The following entities apply Tier 1 requirements in preparing general purpose financial statements:

(a) For-profit entities in the private sector that have public accountability (as defined in this Standard)

(b) The Australian Government and State, Territory and Local Governments

The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:

(a) For-profit private sector entities that do not have public accountability

(b) All not-for-profit private sector entities

Public sector entities other than the Australian Government and State, Territory and Local Governments

AASB 1054 Australian Additional Disclosures (Application date 1 July 2011)

This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB.

This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in the following areas:

(a) Compliance with Australian Accounting Standards

(b) The statutory basis or reporting framework for financial statements

(c) Whether the financial statements are general purpose or special purpose

(d) Audit fees

(e) Imputation credits

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13] (Application date 1 January 2011)

Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments.

Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions.
Clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (Application date 1 July 2011)

The amendments increase the disclosure requirements for transactions involving transfers of financial assets. Disclosures require enhancements to the existing disclosures in IFRS 7 where an asset is transferred but is not derecognised and introduce new disclosures for assets that are derecognised but the entity continues to have a continuing exposure to the asset after the sale.

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127] (Application date 1 January 2013)

The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
- The remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Consolidated Financial Statements (Application date 1 January 2013)

AASB 10 establishes a new control model that applies to all entities. It replaces parts of IAS 27 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities.

The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the group.

Joint Arrangements (Application date 1 January 2013)

AASB 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly- controlled Entities – Non-monetary Contributions by Ventures. IFRS 11 uses the principle of control in IFRS 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. This may result in a change in the accounting for the joint arrangements held by the group.

Disclosure of Interests in Other Entities (Application date 1 January 2013)

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

Fair Value Measurement (Application date 1 January 2013)

AASB 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets.

IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

3. REVENUE AND OTHER INCOME

REVENUE AND OTHER INCOME	2011 $	2010 $
Revenue		
Interest received – other persons/corporations	346,426	260,643
Consulting fees	179,280	197,906
Rental income	45,486	42,845
Other Income		
Gain on deemed disposal relating to an associate	494,888	416,276
Gain on options – mark to market	1,237,073	951,600
Gain on sale of tenements	-	120,804
Profit on sale of available for sale investments	2,814,210	-
Gain on restructure of equity investment	1,293,400	-
Gain on derivatives	102,757	-
Gain on revaluation of investment	1,089,453	-
R&D tax concession offset	266,973	-
Other	11,364	-
	7,881,310	1,990,074

4. INCOME TAX

INCOME TAX	2011 $	2010 $
Income tax expense		
The major components of income tax expense are: *Current income tax*		
Current income tax benefit *Deferred income tax*	-	-
Relating to origination and reversal of temporary differences	1,364,072	297,813
Recognition of previously unrecognised losses	(1,158,985)	(1,221,146)
Income tax (benefit)/expense reported in the Statement of Comprehensive Income	205,087	(923,333)
Amounts charged or credited directly to equity		
Deferred income tax related to items charged directly to equity		
Unrealised gain on available for sale investments	(359,913)	(923,333)
Income tax benefit reported in equity	(359,913)	(923,333)

INCOME TAX	2011 $	2010 $
Reconciliation		
Prima facie income tax (benefit)/expense on operating (loss)/profit at 30%	960,528	(251,498)
Non-deductible expenses	129,401	175,775
Non-assessable income	(44,618)	(34,763)
Recognition of previously unrecognised losses	(1,158,985)	(1,221,146)
De-recognition of current year loss	-	201,119
Recognition / de-recognition of temporary differences	319,481	207,180
Income tax (benefit)/expense	205,087	(923,333)
Recognised deferred tax assets and liabilities		
Opening deferred tax liability balance		-
Charged to income expense / (benefit)	205,087	(923,333)
Charged to equity (credit)	359,913	923,333
Closing balance	565,000	-
Tax(benefit)/expense in the Statement of Comprehensive Income	(359,913)	(923,333)
Amounts recognised in the Statement of Financial Position		
Deferred tax asset	3,380,073	2,596,458
Deferred tax liability	3,945,073	2,596,458
Net deferred tax balance	(565,000)	-

DEFERRED INCOME TAX - at 30 June relates to the following	2011 $	2010 $
Deferred tax liabilities		
Derivatives	418,518	250,740
Available for sale investments	1,985,620	1,625,707
Capitalised exploration	1,006,500	649,139
Equity accounted investment	205,628	49,945
Other	104,838	20,927
Gross deferred tax liabilities	3,721,104	2,596,458
Deferred tax assets		
Carry-forward tax losses	3,268,368	3,600,862
Provisions	34,586	32,845
Share issuance costs	77,119	121,736
Tax losses not booked	(223,969)	(1,158,985)
Gross deferred tax assets	3,156,104	2,596,458
Net deferred tax assets/(liabilities)	(565,000)	-

Of the total $3,268,368 (2009: $3,600,862) available carried forward losses, $2,245,980 are attributable to the PlatSearch NL tax consolidated group and $1,022,388 are attributable to Eastern Iron Limited. The tax losses not booked are attributable to Eastern Iron Limited.

No franking credits are available for subsequent years.

Tax consolidation

PlatSearch NL and its 100% owned subsidiaries (Bluestone 23) formed a tax consolidated group with effect from 1 November 2007. PlatSearch NL is the head entity of the tax consolidated group. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

5. AUDITORS' REMUNERATION

AUDITORS' REMUNERATION	2011 $	2010 $
Amounts received or due and receivable by **Ernst & Young Australia**, for:		
Audit and review of the financial report of the entity	84,755	70,000
Other services – Assurance related	32,860	2,153
	117,615	72,153
Amounts received or due and receivable **Barnes Dowell James**, for:		
Audit and review of the financial report of Eastern Iron Limited	16,900	16,500
	16,900	16,500
Total Auditors' Remuneration for the Group	134,515	88,653

6. CASH AND CASH EQUIVALENTS

CASH & CASH EQUIVALENTS	2011 $	2010 $
Cash at bank and in hand	411,309	98,507
Short-term deposits	6,476,423	4,658,740
Refer Note 29	6,887,732	4,757,247

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.

7. RECEIVABLES – CURRENT

RECEIVABLES - Current	2011 $	2010 $
Trade receivables	33,596	22,667
GST receivables	53,645	9,948
Interest receivable	85,893	48,673
Prepayments	40,062	32,550
Other debtors	9,144	6,565
	222,340	120,403

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 not impaired.

8. INVESTMENTS

INVESTMENTS	2011 $	2010 $
Investment – available for sale – WPG (a)	8,378,309	5,688,437
Investment – available for sale – CHZ (b)	-	833,794
Investment – available for sale – AGR (c)	138,250	296,400
Investment – available for sale SCI (d)	2,865,036	-
	11,381,595	6,818,631

(a) During the period the Group 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). The Group's interest in WPG is 4.2% at 30 June 2011. The market value on ASX of the Group's 10,407,837 shares in WPG at 30 June 2011 was $8,378,309 ($0.805 per share) and on 27 September 2011 it was $12,437,365 ($1.95 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 its remaining 11,094 shares in CHZ for $10,317. A gain on sale of $1,755,493 was recorded in relation to the above transactions.

(c) During the period the Group sold its 335,000 shares in Aguia Resources Limited (AGR) (formally Newport Mining Limited) for $366,975 (net of brokerage costs), giving a gain of $348,019. The market value on ASX of the Group's remaining 175,000 shares in AGR at 30 June 2011 was $138,250 ($0.79 per share) and on 27 September 2011 it was $92,750 ($0.53 per share)

(d) In June 2011 Silver City (SCI) successfully completed a $9.8 million IPO issuing an additional 49,067,500 ordinary shares. This diluted PlatSearch's shareholding in SCI to 14.6%. On 26 June 2011 Silver City ceased to be an associate company of PlatSearch and is now accounted for as an investment. The market value of the Group's 14,325,182 shares in SCI at 30 June 2011 was $2,865,036 ($0.20 per share) and on 27 September 2011 it was $2,650,159 ($0.185 per share).

9. INVESTMENT IN ASSOCIATES

INVESTMENT IN ASSOCIATES	2011 $	2010 $
Investment in TMZ	1,805,426	819,248
Investment in SCI	-	506,552
Investment accounted for using the equity method	1,805,426	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.

Thomson Resources Limited

In July 2009 Thomson Resources Limited (TMZ) was incorporated. The principle activities of TMZ are the exploration for gold, silver and base metals within the Thomson Ford Belt of northern New South Wales. 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, 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.

	Ownership Interest Held	
	2011 %	2010 %
THOMSON RESOURCES LIMITED		
Ordinary shares at 30 June	25.65	32.76
(i) Principal activity		
TMZ is an Australian minerals explorer		
(ii) Share of associate's losses		
Share of associate's:		
net loss before income tax -	(8,710)	(135,341)
income tax expense attributable -	-	-
Share of net loss after income tax	(8,710)	(135,341)

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.

	2011 $	2010 $
(iii) Carrying amount of investment in associate		
Balance at the beginning of the financial period	819,248	-
cost of investment	500,000	561,143
share of associate's net losses for the financial period	(8,710)	(135,341)
share of associate's net assets taken to equity	-	-
uplift in value of the associate arising from share issue by the associate	494,888	393,446
Carrying amount of investment in associate at the end of the financial period	1,805,426	819,248
(iv) Share of associate's assets and liabilities		
Current assets	1,221,648	483,167
Non-current assets	687,500	476,238
Current liabilities	(121,188)	(19,822)
Net assets	1,787,960	939,583
(v) Accumulated losses of the Company attributable to associate:		
Balance at the beginning of the financial period	(135,341)	-
Share of associate's net losses	(8,710)	(135,341)
Balance at the end of the financial period	(144,051)	(135,341)

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 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.

In March 2011 SCI cancelled 30,000,000 converting performance shares and in lieu of this issued 10,000,000 ordinary shares to various parties in relation to sale agreements dated February 2009. PlatSearch's 9,715,500 converting performance shares were cancelled and PlatSearch was issued with 6,477,000 ordinary shares. This resulted in a change in shareholding in SCI to 29.3% and an increase in the value of SCI of $1,293,400. The Group recognised a share of associates net losses of $16,254 up to March 2011 (SCI: 20.1%) and net losses of $10,115 from March to 26 June 2011 (SCI: 29.3%).

On 26 June 2011 Silver City successfully completed a $9.8 million IPO issuing an additional 49,067,500 ordinary shares. This diluted PlatSearch's shareholding in SCI to 14.6%. Therefore, on 26 June 2011 Silver City ceased to be an associate company of PlatSearch. At this time the fair value of the asset was calculated and a gain of $1,089,453 was recognised in the income statement. Silver City is now accounted for as an investment under Note 8.

	Ownership Interest Held 2010 $
SILVER CITY MINERALS LIMITED	
Ordinary shares at 30 June	20.1
(i) Principal activity	
SCI is an australian minerals explorer	
(ii) Share of associate's profits/(losses)	
Share of associate's: net loss before income tax	(106,200)
income tax expense attributable	-
Share of net loss after income tax	(106,200)

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.

(iii) Carrying amount of investment in associate	2010 $
Balance at the beginning of the financial period	279,922
cost of investment	310,000
share of associate's net losses for the financial period	(106,200)
uplift in value of the associate arising from the share issue by the associate	22,830
Carrying amount of investment in associate at the end of the financial period	506,552
(iv) Share of associate's assets and liabilities	
Current assets	264,204
Non-current assets	289,542
Current liabilities	(26,938)
Net assets	526,808
(v) Accumulated losses of the Company attributable to associate:	
Balance at the beginning of the financial period	(95,166)
Share of associate's net losses	(106,200)
Balance at the end of the financial period	(201,366)

10. NON-CONTROLLING INTERESTS

	2011$	2010 $
Contributed equity	5,751,035	4,694,145
Reserves	557,687	206,201
Accumulated losses	(970,604)	(481,279)
	5,338,118	4,419,067

11. DERIVATIVE FINANCIAL INSTRUMENTS

		2011$	2010 $
Share options – CHZ	(a)	-	292,200
Share options – AGR	(b)	592,360	420,200
Share options – SCI	(c)	287,700	100,100
Share options – TMZ	(d)	518,000	162,500
		1,398,060	975,000

(a) The Group 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 Aguia Resources Limited (AGR) (formally Newport Mining Limited) 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 92.13%, risk-free interest rate of 4.735%, dividend yield nil and an option life of 0.5 years. This results in a fair value of $463,800 at 30 June 2011.

PlatSearch was issued an additional 200,000 options in June 2011 with an exercise price of $0.50 and an expiry date of 31 December 2014. A valuation of these options has been obtained using the Binomial valuation methodology model and the following assumptions: expected volatility of 120.11%, risk-free interest rate of 4.87%, dividend yield nil and an option life of 3.5 years. This results in a fair value of $128,560 at 30 June 2011

(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 113.74%, risk-free interest rate of 4.735%, dividend yield nil and an option life of 2.01 years. This results in a fair value of $287,700 at 30 June 2011.

PlatSearch's 9,715,500 converting performance shares were cancelled in March 2011 and 6,477,000 ordinary fully paid shares in SCI were issued in lieu of the converting performance shares.

(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 126.14%, risk-free interest rate of 4.87%, dividend yield nil and an option life of 3.45 years. This results in a fair value of $518,000 at 30 June 2011.

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

12. TENEMENT SECURITY DEPOSITS

TENEMENT SECURITY DEPOSITS	2011$	2010 $
Current		
Cash at bank – bank deposits	10,000	-
Cash with government mines departments	2,500	-
	12,500	-
Non-Current		
Cash at bank – bank deposits	-	130,000
Cash with government mines departments	235,850	142,500
	238,850	272,500

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.

13. PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT & EQUIPMENT	Motor vehicle	Plant and equipment	Total
Year ended 30 June 2010			
Opening net book amount	20,490	21,401	41,891
Additions	-	31,952	31,952
Disposals	-	-	-
Depreciation expense	(3,940)	(14,265)	(18,205)
Closing net book amount	16,550	39,088	55,638
At 30 June 2010			
Cost	24,166	86,148	110,314
Accumulated depreciation	(7,616)	(47,060)	(54,676)
Net book amount	16,550	39,088	55,638
Year ended 30 June 2011			
Opening net book amount	16,550	39,088	55,638
Additions	52,106	140,845	192,951
Disposals	-	-	-
Depreciation expense	(4,028)	(23,547)	(27,575)
Closing net book amount	64,628	156,386	221,014
At 30 June 2011			
Cost	76,272	226,993	303,265
Accumulated depreciation	(11,644)	(70,607)	(82,251)
Net book amount	64,628	156,386	221,014

14. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

DEFERRED EXPLORATION AND EVALUATION EXPENDITURE	2011$	2010 $
Costs brought forward	2,163,797	1,906,744
Costs incurred during the year	1,754,105	624,598
Tenements sold during the year	-	(240,339)
Expenditure written off during the year	(792,730)	(127,206)
Costs carried forward	3,125,172	2,163,797
Exploration expenditure costs carried forward are made up of:		
Expenditure on joint venture areas	2,542,519	1,851,727
Expenditure on non joint venture areas	582,653	312,070
Costs carried forward	3,125,172	2,163,797

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. 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, 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.

15. CURRENT LIABILITIES – PAYABLES

CURRENT LIABILITIES – PAYABLES	2011$	2010 $
Trade creditors *	365,284	155,429
Accrued expenses	179,378	96,908
Employee entitlements – accrued salaries and superannuation	-	10,278
	544,662	262,615

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

16. LIABILITIES – PROVISIONS

LIABILITIES – PROVOSIONS	2011$	2010 $
Current		
Annual Leave	55,854	39,828
Non-current		
Long Service Leave	17,555	12,154

Annual leave is accrued for all permanent eligible employees and provided for based on current salaries. Long service leave is accrued for all permanent eligible employees with greater than two years' service and provided for based on current salaries.

17. DERIVATIVE LIABILITY/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.

The general terms of the issue are:

(a) Convertible notes with a conversion price of 15 cents per share and a maturity date of 9 December 2013.

(b) 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.

(c) 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.

(d) 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.

In accordance with requirements of the relevant Australian Accounting Standards and International Financial Reporting Standards based on the accounting policy described in Note 2 the proceeds have been initially accounted for as follows:

	$
Gross proceeds	2,500,000
Less issue costs	(150,000)
Net Allocation	2,350,000
Allocated as follows:	
Convertible note liability	744,587
Derivative liability (1)	510,245
Equity (2)	1,095,168
	2,350,000

(1) Represents the valuation of the option entitlement per (d) above.
(2) Represents the value of the conversion function per (a) above.
The balances and movements of the convertible note and derivative liability components at 30 June 2011 are as follows:

	30 June 2011 $	30 June 2010 $
Convertible Note Liability		
Opening balance	744,587	-
Add interest expense	276,111	-
Less interest paid	(69,589)	-
Closing balance	951,109	-
Derivative Liability		
Opening balance	510,245	-
Revaluation adjustment at 30 June 2011	(209,770)	-
Closing balance	300,475	-

18. CONTRIBUTED EQUITY

		2011$	2010 $
Share capital			
175,287,592 ordinary shares fully paid		14,510,632	14,510,632
450,000 ordinary shares paid to $0.01 with $0.24 unpaid		4,500	4,500
		14,515,132	14,515,132
		Number	$
Movements in ordinary shares on issue			
At 1 July 2009		95,611,392	10,657,060
Shares issued	(i)	79,676,200	3,983,810
Share issue costs		-	(125,738)
At 30 June 2010		175,287,592	14,515,132
Shares issued		-	-
At 30 June 2011		175,287,592	14,515,132

(i) In July 2009 the Company issued 79,676,200 ordinary shares at an issue price of $0.05 per share under the Company's five for six renounceable rights issue of shares under its Prospectus dated 10 June 2009.

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.

Options

Options do not carrying voting rights or rights to dividends until options are exercised.

19. SHARE-BASED PAYMENTS

Types of share-based payment plans

Share-based payments

An Employee Share Option Plan (ESOP) has been established where selected officers, employees and consultants of the Company can be issued with options over ordinary shares in PlatSearch NL. The options, issued for nil consideration, will be issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX. Options expire if not exercised 90 days after a participant resigns from the Company.

There have been no cancellations or modifications to any of the plans during 2011 and 2010.

Summary of options granted by the parent entity	2011 no.	2010 no.
Outstanding at the beginning of the year	12,870,000	6,860,000
Granted during the year	11,100,000	9,390,000
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	(3,380,000)
Outstanding at the end of the year	23,970,000	12,870,000

The outstanding balance as at 30 June 2011 is represented by:

- 2,280,000 which expire on 27 November 2011 exercisable at $0.14 per share;
- 300,000 which expire on 28 May 2012 exercisable at $0.18 per share
- 900,000 which expire on 9 February 2014 exercisable at $0.14 per share
- 8,750,000 which expire on 27 November 2014 exercisable at $0.18 per share
- 1,500,000 which expire on 27 November 2014 exercisable at $0.18 per share (not vested)
- 1,140,000 which expire on 27 November 2014 exercisable at $0.18 per share
- 6,250,000 which expire on 25 November 2015 exercisable at $0.30 per share
- 2,850,000 which expire on 25 November 2015 exercisable at $0.30 per share

Option pricing model and terms of options

The following table lists the inputs to the options model and the terms of options granted:

Issue date	Number of options issued	Exercise cise price	Expiry date	Expected volatility	Risk-free rate	Expected life years	Estimated fair value	Model used	
Mar 09	900,000	$0.14	9 Feb 14	123.55%	4.12%	4.8	$0.0532	Binomial	(a)
Nov 09	8,250,000	$0.18	27 Nov 14	122.91%	4.99%	5.0	$0.0636	Binomial	(b)
Dec 09	1,140,000	$0.18	27 Nov 14	122.91%	4.99%	4.9	$0.0536	Binomial	(c)
Mar 10	1,200,000	$0.18	9 Mar 15	104.16%	5.01%	5.0	$0.0712	Binomial	(d)
Aug 10	2,000,000	$0.18	27 Nov 14	80.00%	4.64%	4.3	$0.07	Binomial	(e)
Nov 10	6,250,000	$0.30	25 Nov 15	80.00%	5.32%	5.0	$0.05	Binomial	(f)
Dec 10	1,900,000	$0.30	25 Nov 15	80.00%	5.37%	4.9	$0.06	Binomial	(g)
May 11	950,000	$0.30	25 Nov 15	121.29%	5.19%	4.5	$0.0663	Binomial	(h)

(a) Issued by PlatSearch NL to the Chief Executive Officer (750,000 options, vesting 1 April 2009) and a geologist (150,000 options, vesting 14 July 2009) and expensed in the income statement.

(b) Issued by PlatSearch NL to Directors and approved by shareholders at the General Meeting held on 26 November 2009. Expensed in the income statement. The options vested on the grant date of 26 November 2009.

(c) Issued by PlatSearch NL to employees and consultants under the Company's ESOP. Expensed in the income statement. The options vested on the grant date of 18 December 2009.

(d) 1,200,000 options were issued by Eastern Iron Limited to Greg De Ross and expensed in the income statement. 50% of the options vested immediately and the remaining 50% vest on 9 March 2011.

(e) 2,000,000 options were issued to the Company's Business Development Manager and expensed in the income statement. 500,000 options vested immediately with the remaining 1,500,000 vesting upon performance hurdles.

(f) 6,250,000 options were issued to Directors of the Company and approved by shareholders at the Company's AGM held on 25 November 2010. The options vested immediately and were expensed in the income statement.

(g) 1,900,000 options were issued to employees and consultants under the Company's ESOP. The options vested immediately and were expensed in the income statement.

(h) 950,000 options were issued to employees and consultants under the Company's ESOP. The options vested immediately and were expensed in the income statement.

Weighted Average disclosures on options

	2011	2010
Weighted average exercise price of options at 1 July	$0.17	$0.20
Weighted average exercise price of options granted during period	$0.28	$0.18
Weighted average exercise price of options outstanding at 30 June	$0.22	$0.17
Weighted average exercise price of options exercisable at 30 June	$0.22	$0.17
Weighted average contractual life	3.44 years	3.77 years
Range of exercise price	$0.14 - $0.30	$0.14 - $0.18

20. RESERVES

		2011$	2010$
Share-based compensation reserve		1,548,108	1,007,152
General reserve		(229,108)	(34,676)
Investment revaluation reserve		4,804,212	3,964,416
Foreign currency translation reserve		(5,925)	-
Convertible note option reserve		1,095,168	-
		7,212,455	4,936,892
Share-based compensation reserve	(i)		
Balance at the beginning of financial year		1,007,152	421,348
Share-based payment expense		540,956	585,804
Balance at end of financial year		1,548,108	1,007,152
General reserve	(ii)		
Balance at the beginning of financial year		(34,676)	-
Transfer to non-controlling interests		(194,432)	(34,676)
Balance at end of financial year		(229,108)	(34,676)
Investment revaluation reserve	(iii)		
Balance at the beginning of financial year		3,964,416	1,757,945
Change in fair value of investments available for sale (net of tax)		1,385,195	2,206,471
Transfer of realised gain to other income (net of tax)		(545,399)	
Balance at end of financial year		4,804,212	3,964,416
Foreign currency translation reserve	(iv)		
Balance at the beginning of financial year		-	-
Effect of exchange rate fluctuation		(5,925)	-
Balance at end of financial year		(5,925)	-
Convertible note option reserve	(v)		
Balance at the beginning of financial year		-	-
Equity component on issue of convertible note		1,095,168	-
Balance at end of financial year		1,095,168	-

(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 and referred to in Note 19.

(ii) General reserve

The general reserve represents the change in the value of non-controlling interests resulting in the exercise of Eastern Iron Limited options during the financial year.

(iii) Investment revaluation reserve

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

(iv) Foreign currency translation reserve

The foreign currency translation reserve arises from the translation of foreign currency subsidiaries.

(v) Convertible note option reserve

The convertible note option reserve is used to record the fixed equity component of the convertible notes issued during the period. Refer to Note 17.

21. EARNINGS PER SHARE

	2011	2010
Net profit used in calculating basic and diluted gain per share	3,486,001	389,684
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	175,305,592	170,500,658
	Cents per share	Cents per share
Basic earnings per share	1.99 cents	0.23 cents
Diluted earnings per share	1.99 cents	0.23 cents

The number of potential ordinary shares that are dilutive and included in determining diluted EPS are nil (2010: nil) relating to share options issued. There are no instruments excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are antidilutive for all of the periods presented.

Conversion, call, subscription or issue after 30 June 2011: 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. KEY MANAGEMENT PERSONNEL

Key management personnel (KMP) remuneration, shares and options	2011 $	2010 $
Compensation for key management personnel		
Short-term employee benefits	1,151,067	852,908
Post-employment benefits	103,106	45,627
Share-based payments	591,411	629,900
Total compensation	**1,845,584**	**1,528,435**

Shareholdings of key management personnel

Fully paid ordinary shares held in PlatSearch NL

	Balance at 1 July no.	Granted as remuner-ation no.	Received on exercise of options no.	Net other change * no.	Balance at 30 June no.
2011					
P Elliott	2,352,345	-	-	-	2,352,345
G Jones	365,862	-	-	634,138	1,000,000
C S Kwan	45,183,893	-	-	1,000,943	46,184,836
Dr K Foo	-	-	-	-	-
K Champaklal	-	-	-	-	-
I Polovineo	-	-	-	-	-
C Hosie	-	-	-	-	-
W Corbett	-	-	-	-	-
M Lilley	-	-	-	-	-
N Maund	-	-	-	-	-
G De Ross	-	-	-	-	-
Total	**47,902,100**	**-**	**-**	**1,635,081**	**49,537,181**
2010					
P Elliott	1,283,097	-	-	1,069,248*	2,352,345
G Jones	70,000	-	-	295,862*	365,862
C S Kwan	17,254,312	-	-	27,929,581*	45,183,893
Dr K Foo	-	-	-	-	-
R Waring	738,471	-	-	615,393*	1,353,864
R Richardson	1,827,687	-	-	1,523,073*	3,350,760
K Champaklal	-	-	-	-	-
I Polovineo	-	-	-	-	-
P Buckley	8,000	-	-	-	8,000
C Hosie	-	-	-	-	-
W Corbett	-	-	-	-	-
M Lilley	-	-	-	-	-
N Maund	-	-	-	-	-
G De Ross	-	-	-	-	-
Total	**21,181,567**	**-**	**-**	**31,433,157**	**52,614,724**

* Other change consists of shares purchased and sold by KMP on market.

Option holdings of key management personnel

Share options held in PlatSearch NL

	Balance at 1 July no	Granted Remuneration no.	Options exercised no.	Net change other # no.	Balance at 30 June no.	Balance vested at 30 June no.	Vested and exercisable no.
2011							
P Elliott	1,000,000	600,000	-	-	1,600,000	1,600,000	1,600,000
G Jones	4,000,000	2,300,000	-	-	6,300,000	6,300,000	6,300,000
C S Kwan	2,000,000	2,000,000	-	-	4,000,000	4,000,000	4,000,000
F K Foo	1,000,000	600,000	-	-	1,600,000	1,600,000	1,600,000
K Champaklal	-	-	-	-	-	-	-
I Polovineo	-	600,000	-	-	600,000	600,000	600,000
C Hosie	-	350,000	-	-	350,000	350,000	350,000
W Corbett	500,000	400,000	-	-	900,000	900,000	900,000
M Lilley	250,000	650,000	-	-	900,000	900,000	900,000
N Maund	-	2,000,000	-	-	2,000,000	500,000	500,000
G De Ross	-	-	-	-	-	-	-
Total	**8,750,000**	**9,500,000**	**-**	**-**	**18,250,000**	**16,750,000**	**16,750,000**
2010							
P Elliott	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000
G Jones	750,000	3,250,000	-	-	4,000,000	4,000,000	4,000,000
C S Kwan	-	2,000,000	-	-	2,000,000	2,000,000	2,000,000
F K Foo	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000
R Waring	1,950,000	500,000	-	(1,150,000)	1,300,000	1,300,000	1,300,000
R Richardson	2,660,000	500,000	-	(1,600,000)	1,560,000	1,560,000	1,560,000
K Champaklal	-	-	-	-	-	-	-
I Polovineo	-	-	-	-	-	-	-
P Buckley	300,000	300,000	-	-	600,000	600,000	600,000
C Hosie	-	-	-	-	-	-	-
W Corbett	150,000	350,000	-	-	500,000	500,000	500,000
M Lilley	-	250,000	-	-	250,000	250,000	250,000
N Maund	-	-	-	-	-	-	-
G De Ross	-	-	-	-	-	-	-
Total	**5,810,000**	**9,150,000**	**-**	**(2,750,000)**	**12,210,000**	**12,210,000**	**12,210,000**

Expiry of options

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.

23. RELATED PARTY DISCLOSURES

Subsidiaries

The consolidated financial statements include the financial statements of PlatSearch NL (the Parent Entity) and the following subsidiaries:

		% Equity interest		$ Investment	
Name	Country of incorporation	2011	2010	2011	2010
Bluestone 23 Pty Ltd	Australia	100	100	5,000	5,000
Eastern Iron Limited	Australia	48.26	48.65	1,950,385	910,990
Variscan Mine SAS	France	100	-	1,478	-

Variscan Mines SAS was incorporated on 8 December 2010.

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 year ended 30 June 2011 amounted to $52,331 (2010: $156,242) and included services provided by Mr R Waring of $50,016 (2010: $121,728). The $50,016 is included in the remuneration of Directors in the Remuneration Report. This contract ended on 31 December 2010.

The Company has an agreement with Maida Vale Associates which is entitled to a cash fee of 6% of equity funds raised by Maida Vale and other parties. Dr Foo, a director of PlatSearch, has an interest in Maida Vale Associates. No fees have been paid to date.

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. No fees have been paid to date.

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 associated companies

During the year the Company provided technical and administrative support services to its associated companies company Silver City Minerals Limited (SCI: associate until 26 June 2011) and Thomson Resources Limited (TMZ). Services provided to SCI amounted to $100,117 (2010: $145,182) and TMZ $117,542 (2010: $48,854) consisting of payments received for consulting, use of office space and office services.

24. JOINT VENTURES

The Company is a party to a number of exploration joint venture agreements to explore for copper, gold, zinc, lead, uranium 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 14. Costs 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 2011 were as follows:

PlatSearch NL New South Wales – base metals and gold	% interest 2011	% interest 2010
Hillston – diluting to 16%	39.2%	80%
Hollis Tank	0%	80%
Dunmore and Tomingley	0%	90%
Mundi Plains – diluting to 20%	49%	49%
Mundi Plains – cover rights	50%	-
Thurla – PTS can earn 20%	0%	0%
Eastern Iron Projects – Eastern Block Tenements	51%	20%
Eastern Iron Projects – Western Block Tenements	0%	20%
PlatSearch NL South Australia – base metals and gold	**% interest 2011**	**% interest 2010**
Black Hill, Yalata, Toolgerie – relinquished	0%	80%
Quinyambie – diluting to 15%	52.6%	52.6%
Callabonna – diluting to 30%	100%	100%
Frome, Poverty Lake – Benagerie JV	90%	10%
Coondambo – relinquished	-	100%
Kalabity – diluting to 32%	80%	80%
Junction Dam – diluting to 16% base and precious metals rights	39.2%	39.2%
Junction Dam – uranium rights	19.21%	19.21%
Wynbring	100%	100%
Officer Basin – EL applications only	50%	50%
Eastern Iron Tenements in NSW	**% interest 2011**	**% interest 2010**
Eastern Block Tenements	49%	80%
Western Block Tenements	100%	80%
Hutch – withdrew from JV	-	0%
Eastern Iron Tenements in Queensland	**% interest 2011**	**% interest 2010**
Hawkwood – EFE can earn 80%	0%	0%

25. SEGMENT INFORMATION

The operating segments identified by management are as follows:

1. Exploration projects funded directly by PlatSearch ("Exploration") and;
2. 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 14 of this 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 14.

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 11 of this financial report. Segment revenues are disclosed in the statement of comprehensive income as '(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.

26. CONTINGENT LIABILITIES

The Group's bankers have provided guarantees totalling $10,000 (2010: $10,000) in respect of mining tenements and the guarantees are secured against short term deposits of these amounts. Additional guarantees of $238,350 (2010: $262,500) in respect of mining tenements are secured against deposits with NSW Minerals and Energy and the Queensland Department of Environment and Resource Management. The Company does not expect to incur any material liability in respect of the guarantees.

27. COMMITMENTS

Lease commitments

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

	2011$	2010$
Payable not later than one year	29,011	40,700
Payable later than one year and not later than five years	-	-
	29,011	**40,700**

The Company's lease of its office premises is for a one year period (with an additional option of one year) expiring on 25 January 2012.

Exploration licence expenditure requirements

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

	2011$	2010 $
Payable not later than one year	2,488,798	2,360,961
Payable later than one year but not later than two years	617,042	760,562
	3,105,840	3,121,523

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 Group from time to time.

SGX Listing

PlatSearch has entered into an agreement with PrimePartners Corporate Finance Pte Ltd to assist in the proposed flotation on the Singapore Stock Exchange. In the event that the proposed flotation is aborted PlatSearch would be liable for an abort fee of $90,667.

28. EVENTS AFTER THE BALANCE SHEET DATE

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2011 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, other than:

On 22 August 2011, WPG Resources Ltd (WPG) announced the proposed sale of all of its iron ore assets to a subsidiary of OneSteel Limited (One Steel) for total proceeds of approximately $346 million to be effected by the sale of three wholly owned subsidiaries of WPG, namely, Southern Iron Pty Ltd, Central Iron Pty Ltd and Coober Pedy Resources Pty Ltd (the Transaction).

If the Transaction proceeds to Completion, WPG has announced that it intends to make a tax-effective distribution of the bulk of the net Transaction proceeds to Shareholders by way of a capital return and a franked dividend. The total distribution will be $1.05 per share, consisting of a capital return of $0.42 per share and a fully franked dividend of $0.63 per share, with an attaching franking credit of $0.27 per share.

The transaction is subject to certain conditions including approval by WPG shareholder at an EGM to be held on 4 October 2011. At 30 June 2011 the Group held 10,407,837 shared in WPG – refer Note 8(a).

29. CASH FLOW STATEMENT

	2011 $	2010 $
Reconciliation of net cash outflow from operating activities to operating profit after income tax		
Operating profit after income tax	2,996,675	85,006
Depreciation	27,575	18,205
Exploration expenditure written-off	792,730	127,206
Interest on convertible note	276,111	-
Share of associate's net losses	35,079	241,541
Share-based payment expense	698,011	642,764
Loss/(gain) on options	(824,273)	(482,977)
Gain on accounting for investment in associate	(494,888)	(416,276)
Gain on restructure of equity investments	(1,293,400)	-
Gain on revaluation of investment	(1,089,453)	-
Gain on derivatives	(102,757)	-
Profit on sale of shares	(2,814,210)	-
Provisions annual leave and long service leave	21,428	12,493
Profit on sale of tenements	-	(120,804)
Tax benefit – deferred tax	205,087	(923,333)
Other – exploration costs in closing creditors	(18,554)	(90,095)
Change in assets and liabilities:		
(Increase)/decrease in receivables	(101,937)	(45,848)
(Decrease)/increase in trade and other creditors	282,047	(34,846)
Net cash outflow from operating activities	(1,404,729)	(986,964)

For the purpose of the Statement of Cash Flows, 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 comprised:		
Cash and cash equivalents	411,309	98,507
Money market securities – bank deposits (Note 6)	6,476,423	4,658,740
Cash on hand	6,887,732	4,757,247

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.

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.

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.

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.

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:

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.

Interest rate risk

At balance date, the Group is exposed to floating weighted average interest rates for financial assets of 1.11% on $377,482 (2010: $66,604) in cash (2010: 0.17%), 4.68% on $33,827 (2010: $31,903) in deposits at call (2010: 3.0%), 5.92% (2010: 5.7%) on short term deposits of $6,476,423 (2010: $4,658,741) and tenement deposits with banks $10,000 (2010: $130,000). 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:	Pre tax loss Lower/	(higher)	Equity Lower/	(higher)
Consolidated	2011$	2010 $	2011 $	2010 $
+1% (100 basis points)	68,977	48,872	-	-
-1% (100 basis points)	(68,977)	(48,872)	-	-

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 market 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.

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.

Equity price risk

Price risk arises from investments in equity securities. 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:	Pre tax loss Lower/	(higher)	Equity Lower/	(higher)
Consolidated	2011$	2010$	2011$	2010$
+20%	-	-	2,276,319	1,363,726
-20%	-	-	(2,276,319)	(1,363,726)

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 share prices:	Pre tax loss Lower/	(higher)	Equity Lower/	(higher)
Consolidated	2011 $	2010 $	2011 $	2010 $
+20%	475,460	340,800	-	-
-20%	(475,460)	(340,800)	-	-

Accounting policies

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

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.

Fair value risk

The group uses three different methods in estimating the fair value of a financial investment. The methods comprise -

- Level 1 – the fair value is calculated using quoted prices in active markets; and
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – the fair value is estimated using inputs other than quoted prices.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

2011	Quoted market price (Level 1)	Valuation technique – market observable inputs Level 2)	Valuation technique – non market observable inputs (Level 3)	Total
Financial assets			-	
Investments available for sale	11,381,595	-	-	11,381,595
Total financial assets	11,381,595	-	-	11,381,595
Derivative assets				
Derivatives – fair value through the income statements	-	1,398,060	-	1,398,060
Derivative assets	-	1,398,060	-	1,398,060

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs.

The fair value of derivatives that do not have an active market are based on valuation techniques. Level 2 derivatives include market observable inputs whilst level 3 derivatives do not include market observable inputs.

Transfer between categories

There were no transfers between levels during the year.

31. PARENT ENTITY INFORMATION

Information relating to the parent entity Ltd:	2011 AUD$'000	2010 AUD$'000
Current assets	3,470	3,066
Total assets	18,577	11,849
Current liabilities	208	255
Total liabilities	1,478	255
Issued capital	14,509	14,509
Accumulated losses	(4,769)	(7,354)
Investment revaluation reserve	4,716	3,432
Convertible note option reserve	1,095	-
Share based payment reserve	1,548	1,007
Total shareholders' equity	17,099	11,594
Profit/(loss) of the parent entity	2,586	141
Total comprehensive income of the parent entity	**1,284**	**1,793**
	3,870	1,934
Contingent liabilities of the parent entity – refer to Note 26	143	153

Contractual commitments by the parent entity

The parent entity has lease commitments as stated in Note 27. The parent entity holds the lease commitment for its subsidiaries.<?>In accordance with a resolution of the directors of PlatSearch NL, I state that:

Directors Declaration

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 30 June 2011 and of its performance for the year ended on that date.

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2.

(c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(d) 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 ending 30 June 2011.

On behalf of the Board

Greg Jones
Managing Director
Sydney, 29 September 2011

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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 consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 the auditor's 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, the auditor considers 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 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, a copy of which is included in the directors' report.

ERNST & YOUNG

Opinion

In our opinion:

a. the financial report of PlatSearch NL is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. 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.

Opinion

In our opinion, the Remuneration Report of PlatSearch NL for the year ended 30 June 2011, complies with section 300A of the Corporations Act 2001.

Ernst & Young

Anton Ivanyi
Partner
Sydney
29 September 2011

Corporate Governance Statement

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 August 2007. At a number of its meetings the Board examines 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 the ASX, it is mindful that there may be some instances where compliance is not practicable for a company of PlatSearch's stage of development.

The August 2007 Australian Securities Exchange Corporate Governance Council publication, "Corporate Governance Principles and Recommendations" second edition, is referred to 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 the company with its staff numbers and Board size and structure.

A summary of the Company's written policies on corporate governance matters is being prepared, and following Committee review and approval, will be included in the Corporate Governance section of the PlatSearch website. The following paragraphs set out the Company's position relative to each of the eight principles contained in the ASX Corporate Governance Council's report.

Principle 1: Lay solid foundations for management and oversight

Since the previous year the Company has formalised and disclosed the functions reserved to the Board and those delegated to management and has written processes for evaluating the performance of senior executives. The Company has a Board of five Directors (four Non-Executive Directors plus the Managing Director) and a small team of staff, 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 five are considered as not independent - an Executive Director, Mr Kwan is a substantial shareholder and Mr Waring is a recent former Executive Director. The Company does not have a separate Board Nomination Committee, but has a Remuneration and Nomination Committee that carries out this function, which includes an assessment of the specific governance skills and industry experience required of potential directors. A performance evaluation of the Board was carried out during the year and there have been changes to the Board.

One of the Company's five Directors is the Non-Executive Chairman 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, and guides compliance with legal and other obligations. The Board of Directors continues to review the guide to determine the most appropriate and effective operational procedures.

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 Financial Controller 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 Elliott, and the Non-Executive Director, Dr Foo, who is not independent (Chairman of the Committee - Mr Richardson was Chairman until July 2010). 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 requirement, and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. The Company has both formal written policies regarding disclosure, and 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 or inadvertently not disclosed, and if so, this information is also immediately released to the market.

The Company has a communications policy to promote effective communication with shareholders and 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 has formal policies on risk oversight and management of material business risks. 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 provides the Board with the recommended statements on the system for the management of risk and internal control, and periodically reports to the Board in writing on these areas.

Principle 8: Remunerate fairly and responsibly

The Company has a Remuneration Committee consisting of Messrs Kwan (Chairman of the Committee) and Jones (Mr Richardson resigned in July 2010) 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.

The Directors believe that individual salary and contractor negotiation are 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 recommendation that Non-Executive Directors should not receive options. In the 2009-10 year Non-Executive Directors received options. Shareholders approval was obtained in advance of the issues.

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.

Shareholders Information

Information relating to shareholders at 26 September 2011 (per ASX Listing Rule 4.10)

Substantial shareholders		Shareholding
Kwan Chee Seng		45,978,297
Distribution of shareholders	**Number of holders**	**Ordinary shares**
Number of ordinary shares held		
1 – 1,000	327	133,513
1,001 – 5,000	226	654,046
5,001 – 10,000	204	1,714,670
10,001 – 100,000	473	17,775,932
100,001 – and over	122	155,009,431
	1,352	175,287,592

At the prevailing market price of $0.088 per share, there were 568 shareholders with less than a marketable parcel of $500.

Top 20 shareholders of ordinary shares as at 26 September 2011	Shares	% Shares issued
HSBC Custody Nominees (Australia) Limited	46,531,915	26.55
UOB Kay Hian Private Limited	17,564,450	10.02
Mr Xiangjun Zhang	8,045,000	4.59
Minotaur Resources Investments Pty Ltd	8,000,000	4.56
Viking Investments Limited	6,891,676	3.93
DBS Vickers Securities (Singapore) Pte Ltd	6,604,762	3.77
Mr Chris Carr & Mrs Betsy Carr	5,500,000	3.14
Warman Investments Pty Ltd	4,864,019	2.76
Mr Robert Lewis Richardson & Ms Susanne Brint	3,350,760	1.91
Ipseity Pty Ltd	2,839,707	1.62
Panstyn Investments Pty Ltd	2,352,345	1.34
Boom Securities (Hk) Ltd	2,255,449	1.29
Nefco Nominees Pty Ltd	2,201,512	1.26
Phillip Securities Pte Ltd	1,576,684	0.90
Crescent Nominees Limited	1,470,316	0.84
CIMB Securities (Singapore) Pte Ltd	1,300,000	0.74
Howard-Smith Investments Pty Ltd	1,116,021	0.64
Wimtone Pty Limited	1,100,000	0.63
Technica Pty Ltd	1,000,000	0.57
Mackay Consulting Pty Limited	1,000,000	0.57
Total of top 20 holdings	125,564,616	71.63
Other holdings	49,722,976	28.37
Total fully paid shares issued	**175,287,592**	**100.00**

Unlisted Options

At 26 September 2011 the company had on issue a total of 23,970,000 unlisted options.

Distribution of Optionholders	Number of holders	Unlisted options
Number of ordinary shares held		
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	5	440,000
100,001 – and over	16	23,530,000
	21	23,970,000

Convertible Notes

At 26 September 2011 the company had on issue 16,666,667 convertible notes which are not listed on any stock exchange.

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.

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.

Voting rights for ordinary shares

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.

Corporate Directory

Board of Directors

Patrick Elliott
Non-Executive Chairman

Greg Jones
Managing Director

Kwan Chee Seng
Non-Executive Director

Dr Foo Fatt Kah
Non-Executive Director

Kantilal Champaklal
Alternate Director for Mr Kwan

Company Secretary

Ivo Polovineo

Registered Office and Place of Business

Level 1, 80 Chandos Street
St Leonards, NSW 2065 or
PO Box 956, Crows Nest
NSW 1585
Phone: (+61 2) 9906 5220
Email: pts@platsearch.com.au
Website: www.platsearch.com.au

Share Registry

Boardroom Pty Limited
GPO Box 3993
Sydney, NSW 2001
Phone: (+61 2) 9290 9600
Website:
www. boardroomlimited.com.au

Auditors

Ernst & Young
Level 13, 122 Arthur Street
North Sydney, NSW 2060

Solicitors

Gadens Lawyers
Level 16, 77 Castlereagh Street
Sydney, NSW 2000

Bankers

Commonwealth Bank
Bankwest
Macquarie Bank
Suncorp Metway Ltd

Securities Exchange Listing

Australian Securities Exchange
ASX Code: PTS

ASX Code: PTS

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