



**PLATSEARCH NL**

ABN 16 003 254 395

**HALF-YEAR FINANCIAL REPORT**

31 DECEMBER 2003

# CORPORATE DIRECTORY

## PLATSEARCH NL

ABN 16 003 254 395

### DIRECTORS

Raymond J Soper  
Bob Richardson  
Richard G Tweedie  
Robert J Waring

### SECRETARY

Robert J Waring

### REGISTERED AND ADMINISTRATION OFFICE

Level 1, 80 Chandos Street, St Leonards NSW 2065  
PO Box 956, Crows Nest NSW 1585 Australia  
Telephone: +61 2 9906 5220 Facsimile: +61 2 9906 5233  
Email: pts@platsearch.com.au Website: www.platsearch.com.au

### SHARE REGISTRY

Computershare Investor Services Pty Limited ABN 48 078 279 277  
Level 2, 45 St Georges Terrace, Perth, WA 6000  
GPO Box D182, Perth, WA 6840  
Telephone: 1300 557 010 (within Australia), +61 8 9323 2000 (outside Australia)  
Facsimile: +61 8 9323 2033

### AUDITORS

Ernst & Young

### BANKERS

Commonwealth Bank of Australia

### STOCK EXCHANGE LISTING

Listed on Australian Stock Exchange Limited  
ASX Code: PTS

### SHARE CAPITAL

At 5 March 2004, the Company had 59,969,022 fully paid ordinary shares and 450,000 partly paid shares. In addition the Company had 3,460,000 options under the Employee Share Option Scheme.

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# DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2003.

## DIRECTORS

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

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

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

Richard Tweedie, LLB (Wellington) (Non-Executive Director)

Robert J Waring, BEc (Sydney), CA, FCIS, ASIA, MAusIMM, FAICD (Executive Director)

## REVIEW AND RESULTS OF OPERATIONS

The net result of operations after applicable income tax expense for the half-year was a loss of \$140,072 (2002 - \$179,451) which includes the write-off of exploration expenditure incurred in the current half-year and prior years of \$57,300 (2002 - \$126,814).

The principal continuing activity of the Company is the exploration for economic deposits of base metals, gold and mineral sands. These activities are largely funded by joint ventures with other resource companies. In addition PlatSearch continues an active programme of project generation to identify and acquire prospective areas to farm-out to major resource companies.

The latter part of 2003 and early 2004 saw the completion of planned work programmes including 2,761 metres of drilling on several Broken Hill projects, including Mundi Mundi, Mulyungarie, Ziggys, Lindsays Creek and Copper King. The large Stephens-Centennial tenement at Broken Hill was granted during the period and joint venturer Sipa will soon commence a nine hole drilling programme to test the Stephens Trig prospect. Two new joint venture agreements were signed during the half-year. Through the Trundle joint venture PlatSearch is earning an 80% interest in a tenement in NSW where previous drilling has demonstrated high prospectivity for Northparkes/Cadia/Ridgeway style porphyry copper-gold deposits. Work in progress at Trundle includes a detailed gravity survey and other geophysical techniques to define further drilling targets. At Coondambo project in SA joint venturer Peninsula Exploration will undertake a gravity survey to define further drilling targets for Olympic Dam style copper-gold mineralisation. Two large tenements in the Fowler Belt in SA, Toolgerie and Wynbring are prospective for sulphide nickel deposits and discussions are proceeding with potential joint venture partners. Negotiations regarding joint ventures on the Quinyambie and Callabonna tenements in SA are at an advanced stage. These joint ventures will lead to further drilling in these highly prospective areas where large iron-oxide copper-gold targets are known to exist. PlatSearch anticipates that drilling will take place on at least six of its projects during 2004, funded by joint venturers. During the half-year Inco withdrew from five option joint venture agreements with PlatSearch.

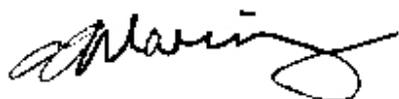
## FINANCIAL

On 19 January 2004 PlatSearch made an issue of 5,279,491 shares at 11 cents under its Shareholder Share Purchase Scheme (SSPS) which raised \$580,744. The funds raised are being used to provide additional capital to continue exploration project generation and project enhancement, prior to drill testing or farm-out to larger companies.

## SUBSEQUENT EVENTS

The directors are not aware of any significant changes in the state of affairs of the Company occurring since the end of the half-year other than the SSPS share issue mentioned above.

Signed at Sydney this 8<sup>th</sup> day of March 2004 in accordance with a resolution of the directors.



R J WARING  
Director



# STATEMENT OF FINANCIAL PERFORMANCE

Half-year ended 31 December 2003

	Note	2003	2002
		\$	\$
<b>REVENUE FROM ORDINARY ACTIVITIES</b>	2	<b>46,123</b>	82,146
Salaries and employee benefits expense		(25,941)	(23,765)
Depreciation expense		(963)	(790)
ASX and ASIC fees		(8,367)	(12,056)
Directors' fees		(6,092)	(8,700)
Exploration expenditure written-off		(57,300)	(126,814)
Geological and corporate consultants		(47,296)	(49,224)
Office rent		(19,124)	(18,998)
Other expenses from ordinary activities		(21,112)	(21,250)
<b>(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE</b>		<b>(140,072)</b>	(179,451)
<b>INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES</b>		-	-
<b>(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE</b>		<b>(140,072)</b>	(179,451)
<b>NET LOSS ATTRIBUTABLE TO MEMBERS OF PLATSEARCH NL</b>		<b>(140,072)</b>	(179,451)
<b>TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS ATTRIBUTABLE TO MEMBERS OF PLATSEARCH NL AND RECOGNISED DIRECTLY IN EQUITY</b>		-	-
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS ATTRIBUTABLE TO MEMBERS OF PLATSEARCH NL</b>		<b>\$(140,072)</b>	\$(179,451)
Basic loss per share (cents per share)		0.26	0.33
Diluted loss per share (cents per share)		0.26	0.33



# STATEMENT OF FINANCIAL POSITION

at 31 December 2003

	Note	31 Dec 03	30 Jun 03
		\$	\$
<b>CURRENT ASSETS</b>			
Cash assets		551,735	59,745
Receivables	3	45,037	673,071
<b>TOTAL CURRENT ASSETS</b>		<b>596,772</b>	<b>732,816</b>
<b>NON-CURRENT ASSETS</b>			
Tenement security deposits		95,500	125,500
Plant and equipment		1,995	2,267
Deferred exploration and evaluation expenditure	4	337,460	318,384
<b>TOTAL NON-CURRENT ASSETS</b>		<b>434,955</b>	<b>446,151</b>
<b>TOTAL ASSETS</b>		<b>1,031,727</b>	<b>1,178,967</b>
<b>CURRENT LIABILITIES</b>			
Payables		76,956	243,071
Other	5	-	293,023
<b>TOTAL CURRENT LIABILITIES</b>		<b>76,956</b>	<b>536,094</b>
<b>TOTAL LIABILITIES</b>		<b>76,956</b>	<b>536,094</b>
<b>NET ASSETS</b>		<b>\$954,771</b>	<b>\$642,873</b>
<b>EQUITY</b>			
Contributed equity	6	6,765,009	6,313,039
Accumulated losses		(5,810,238)	(5,670,166)
<b>TOTAL EQUITY</b>		<b>\$954,771</b>	<b>\$642,873</b>



# STATEMENT OF CASH FLOWS

Half-year ended 31 December 2003

	2003	2002
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payment to suppliers and employees	(127,382)	(137,926)
Exploration joint venture fees received	33,345	63,474
Interest received	12,778	18,672
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	<u>(81,259)</u>	<u>(55,780)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of plant and equipment	(691)	(1,639)
Joint venture cash calls received	72,000	457,000
Expenditure on mining interests (exploration)	(75,633)	(65,901)
Exploration on behalf of joint venturers	(569,904)	(804,805)
Tenement security deposits	30,000	(8,000)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	<u>(544,228)</u>	<u>(423,345)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	451,970	-
Equity raising expenses	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>451,970</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH HELD	(173,517)	(479,125)
Add opening cash brought forward	725,252	943,157
CLOSING CASH CARRIED FORWARD	<u>\$551,735</u>	<u>\$464,032</u>



# NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

31 December 2003

## 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

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

The half-year financial report should be read in conjunction with the Annual Financial Report of PlatSearch NL as at 30 June 2003. It is also recommended that the half-year financial report be considered together with any public announcements made by PlatSearch NL during the half-year ended 31 December 2003 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

### (a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

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

### (b) Future Funding

The financial statements have been prepared on a going concern basis, the basis of which is dependent upon the Company being able to obtain additional funding to support future long term exploration, evaluation and development of its properties. The Company has previously relied upon equity funding to support its exploration activities and presently intends to continue capital raising in the subsequent financial year to maintain those activities. If the Company is unable to obtain such funding, it may be required to vary future exploration, evaluation and development programmes, to realise assets and extinguish liabilities and commitments other than in the normal course of business and at amounts which are different to those which are currently stated in the accounts.

### (c) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

## 2. REVENUE FROM ORDINARY ACTIVITIES

	31 Dec 03	31 Dec 02
	\$	\$
Interest received – other persons/corporations	12,778	18,672
Joint venture operator's fee	33,345	63,474
	<u>\$46,123</u>	<u>\$82,146</u>

## 3. RECEIVABLES - CURRENT

	31 Dec 03	30 Jun 03
	\$	\$
Other receivables	45,037	7,564
Bank deposits	-	665,507
	<u>\$45,037</u>	<u>\$673,071</u>



# NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

31 December 2003

## 4. NON-CURRENT ASSETS – OTHER Deferred exploration and evaluation expenditure

	31 Dec 03	30 Jun 03
	\$	\$
Costs brought forward	318,384	420,244
Costs incurred during the half-year	76,376	147,369
Expenditure written off during the half-year	(57,300)	(249,229)
Costs carried forward	<u>\$337,460</u>	<u>\$31 318,384</u>

## 5. CURRENT LIABILITIES – OTHER

	31 Dec 03	30 Jun 03
	\$	\$
Unexpended cash calls received from Inco	-	293,023

Inco Resources (Australia) Pty Ltd (Inco) was a party with PlatSearch (and in some cases additional parties) in Option Joint Venture Agreements covering exploration properties located in New South Wales, South Australia and Queensland which terminated in January 2004. Current Liabilities – Other consisted of cash calls received from Inco less amounts expended or accrued on exploration programmes. An additional cash call of \$62,900 was received from Inco in January 2004 for estimated joint venture spending for the December 2003 quarter and up to the date of termination of the joint ventures.

## 6. CONTRIBUTED EQUITY

	31 Dec 03	30 Jun 03
	\$	\$
<b>Share capital</b>		
54,689,531 ordinary shares fully paid (June 2003 - 54,689,531)	6,308,539	6,308,539
450,000 ordinary shares paid to one cent with 24 cents unpaid (June 2003 - 450,000)	4,500	4,500
Shareholder Share Purchase Scheme - applications allotted on 19 January 2004	451,970	-
	<u>\$6,765,009</u>	<u>\$6,313,039</u>

On 3 December 2003 PlatSearch announced an issue to shareholders at 11 cents per share under its Shareholder Share Purchase Scheme (SSPS). As at 31 December 2003 the Company has received applications for 4,108,816 shares amounting to \$451,969.76. Following the closure of the issue on 12 January 2004, 5,279,491 shares were allotted on 19 January 2004. The issue raised a total of \$580,744.01.

## 7. CONTINGENT ASSETS AND LIABILITIES

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

## 8. SEGMENT INFORMATION

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

## 9. SUBSEQUENT EVENTS

Other than the allotment of shares in January 2004 mentioned in note 6, no event has occurred subsequent to 31 December 2003 requiring disclosure in, or amendment to, these financial statements.



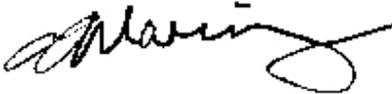
## DIRECTORS' DECLARATION

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

In the opinion of the directors:

- a) the financial statements and notes of the Company:
  - i) give a true and fair view of the Company's financial position as at 31 December 2003 and the performance for the half-year ended on that date; and
  - ii) comply with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board, Sydney, 8 March 2004



R J WARING  
Director



## Independent review report to members of Platsearch NL

### Scope

#### *The financial report and directors' responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Platsearch NL (the company), for the six-month ended 31 December 2003.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standards AASB 1029 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Review approach*

We conducted an independent review of the financial report in order to make a statement about it to the members of the company and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

**Statement**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Platsearch NL is not in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of Platsearch NL at 31 December 2003 and of its performance for the six-month ended on that date; and
  - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



Michael Elliott  
Partner  
Sydney  
8 March 2004



## **PLATSEARCH NL**

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ASX CODE: PTS

Level 1, 80 Chandos Street, St Leonards, NSW, 2065 Australia

PO Box 956, Crows Nest, NSW, 1585 Australia

Telephone: +61 2 9906 5220 Facsimile: +61 2 9906 5233

Email: [pts@platsearch.com.au](mailto:pts@platsearch.com.au) Website: [www.platsearch.com.au](http://www.platsearch.com.au)



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