



PLATSEARCH NL

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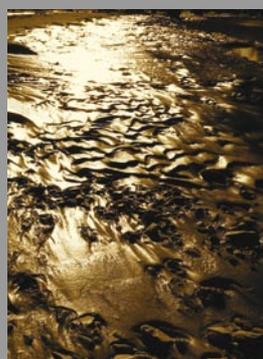
ANNUAL REPORT 2007

.....exploring innovation



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The past year has seen significant changes in PlatSearch and the way it conducts its business. Building on both its technical and commercial strengths, the Company now achieves greater benefit from its exploration activities by the following means:

- The strategic alliance with Minotaur Exploration is proving to be a constructive relationship and has underpinned PlatSearch's funding for new project generation.
- PlatSearch's investment in Western Plains Resources has increased substantially during the year and this increased asset backing has enabled the Company to expand the range and scale of its exploration activities.
- A subsidiary company, Eastern Iron Limited, was formed in July 2007, to hold most of PlatSearch's iron ore interests in western NSW.
- A subsidiary company, Bluestone 23 Limited, was formed in August 2007, to hold certain of the Company's resource industry investments and to seek other investment opportunities.
- The appointment of an experienced full-time exploration manager, Peter Buckley, has added strength and impetus to the PlatSearch team.

Notable achievements during the year include:

- The value of PlatSearch's shareholding in Western Plains Resources (WPG) appreciated substantially during the year. The mineral resource estimate for WPG's **Peculiar Knob** project now totals 19 million tonnes at an average grade of 63.7% Fe. At **Hawks Nest**, the Buzzard mineral resource estimate has been increased to 9.1 million tonnes at an average grade of 60.1% Fe and there is considerable scope for further magnetite and haematite mineralisation at Hawks Nest. WPG has finalised a feasibility study for the commencement of mining at Peculiar Knob and expects a funding package for the development of this mine to be in place by 31 December 2007.
- Innovative thinking by PlatSearch, combined with deep drilling by joint venturer Teck Cominco, at the **Mundi Plains** project, Broken Hill, intersected Mississippi Valley Type lead-zinc mineralisation with encouraging assay results (up to 20.5% zinc and 18.0% lead). This is the first significant MVT mineralisation encountered at Broken Hill.
- PlatSearch has launched a major iron ore exploration initiative in western NSW. This initiative is based on a bold new concept that recognises the existence of very large quantities of shallow, low-grade, easily extractable iron-rich material in the extensive networks of palaeochannels that exist in parts of western NSW. Western NSW is endowed with established road, rail and township infrastructure with heavy rail links to major ports on the east coast. To further this opportunity, PlatSearch has formed a 100% owned subsidiary **Eastern Iron Limited** and is examining funding of future work which may involve listing this company on the ASX.
- The vast Thomson Fold Belt in north-western NSW is now regarded as an important new "exploration frontier" and PlatSearch's ground position here has increased to 12 large tenements. Six joint ventures were signed with Minotaur for eight of these tenements. This represents a major commitment by Minotaur to drill at least eight 200-metre-deep holes on selected magnetic targets commencing in October 2007.
- Four new joint ventures to fund ongoing exploration at **Hollis Tank** at Broken Hill NSW, **Dunmore** and **Tomingley** near Parkes NSW, **Cymbric Vale** in the Koonenberry Belt NSW and **Wynbring** in the Gawler Craton SA were signed. Substantial work programmes have commenced on most of these projects.
- Aircore drilling by Bondi Mining at the **Cymbric Vale** project intersected strong copper mineralisation at the Cymbric Vale Copper prospect. This prospect consists of a series of outcropping gossans and old workings over a 900-metre strike length that has never been drilled.
- In the Curnamona Craton SA, joint venturers Newcrest and Red Metal are seeking Olympic Dam style copper-gold-uranium deposits and palaeochannel hosted uranium. Newcrest completed seven rotary/core holes on gravity and magnetic targets in the **Benagerie Joint Venture** and Red Metal completed pre-collar drilling on the Dolores East prospect, **Quinyambie** project. Further drilling is scheduled on these areas in late 2007.

Expenditure on PlatSearch's areas for the 12 months to 30 June 2007 was \$4,281,000 of which \$404,000 was spent by PlatSearch, the balance by joint venturers.

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



PlatSearch's primary targets are large, world-class deposits, principally base metals (copper, lead, zinc and nickel), precious metals (gold and silver), iron ore and uranium. The Company has continued to build a strong tenement holding with potential for these types of deposits. Attention is focussed currently on the Curnamona Province (including the Broken Hill Block), the Gawler Craton, the Mt Isa Block, the Lachlan Fold Belt, the New England Fold Belt and the Thomson Fold Belt.

Large mineral deposits commonly have signatures recognisable in regional geophysical data, specifically magnetic and gravity data. PlatSearch's selection of areas and prospects is often based on interpretation of the vast amount of geophysical and other exploration data increasingly available in Australia. The Company's in-house geophysical experience and computing expertise are a vital part of this process.

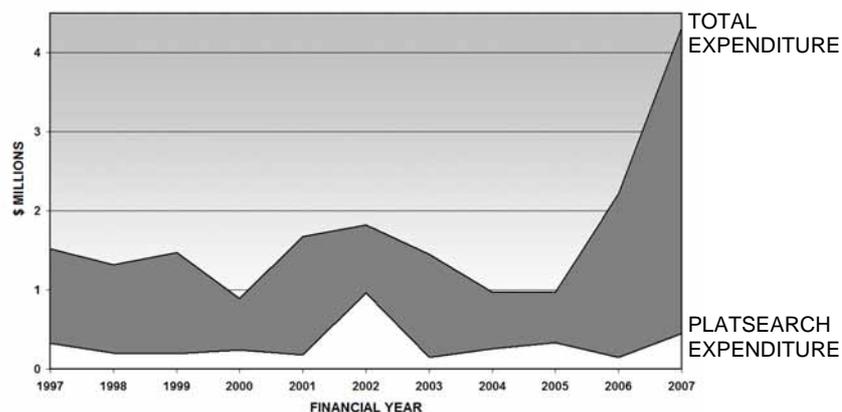


PlatSearch's activities are expertise intensive but relatively low cost. They typically include data research, geological mapping, geophysical surveys and occasionally shallow air-core or RAB drilling. The higher cost activities, particularly deeper drilling, are farmed out to larger companies. By this means PlatSearch's share capital remains tight. Following a discovery and successful development, PlatSearch would have a minority (10-30%) non-operating interest or a royalty interest in a mining project. In some cases (WPG and Chesser, the Wynbring Project, SA) PlatSearch has been able to negotiate a shareholding in the joint venturer company.

Some joint venturers agree to use PlatSearch to operate agreed exploration programmes and this provides useful income for PlatSearch through management fees.

Exploration for world-class deposits is a high-risk, high-cost but potentially very high-reward endeavour. Mineral discoveries can only be made by drill testing quality targets. The more targets tested, the higher the probability of success.

This strategy requires persistence and is critically dependent on ongoing funding by larger joint venture companies. PlatSearch continues to attract such support for exploration on its areas. This is a reliable measure of the quality of our projects. The accompanying graph shows the level of exploration funding on the Company's areas which, over the past nine years, has averaged \$1.7 million per annum, compared with \$0.3 million per annum by PlatSearch. From time to time joint venturers may withdraw from specific projects. However, the high prospectivity of our areas determines that new partners are usually found. Areas that do not measure up, or that do not ultimately attract further funding, are relinquished.

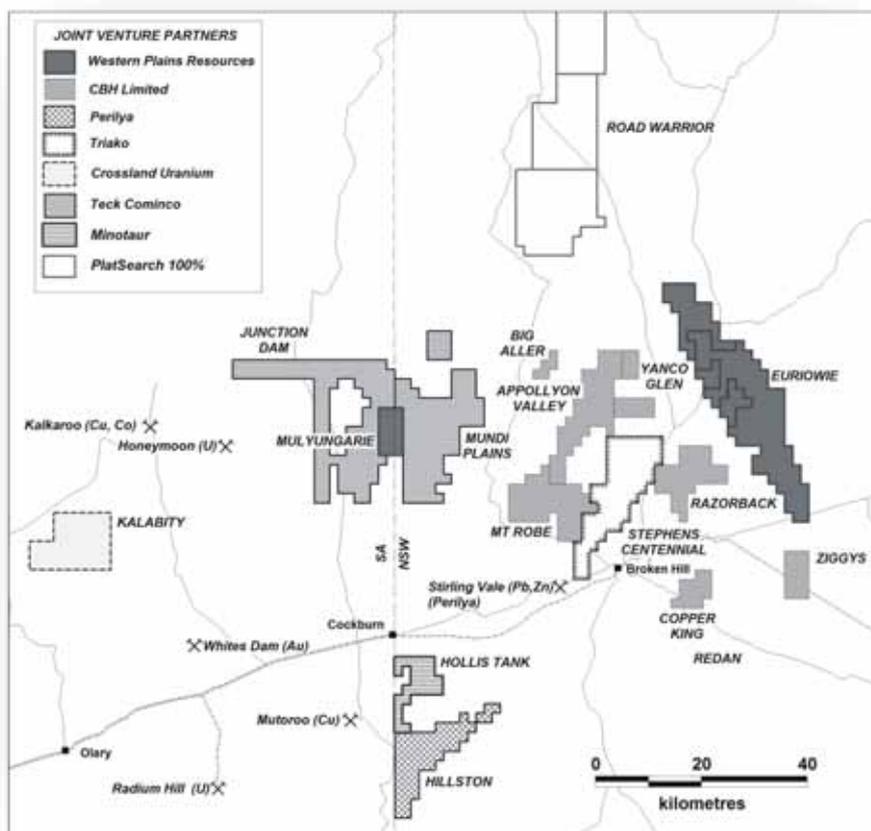


CURNAMONA PROVINCE



New insights into the potential of the Curnamona Province for base and precious metal deposits and uranium have ensured continued exploration interest and activity in this large region. As more information becomes available, there

is increasing evidence for prospectivity for Olympic Dam-type mineralisation in the Curnamona Province. Researchers and government geologists are increasingly of the opinion that the Curnamona shares many age, tectonic, structural and magmatic characteristics with the Australian provinces hosting major IOCG deposits – the Eastern Gawler Craton (Olympic Dam, Prominent Hill) and the Mt Isa Eastern Succession in the Cloncurry district (Ernest Henry). This is particularly the case in the Benagerie Ridge area where PlatSearch and its joint venturers are exploring and drilling.



Uranium exploration is in full swing throughout the Curnamona Craton with important further discoveries by Alliance at Beverly and Four Mile and advanced projects at Crockers Well and Honeymoon.

PlatSearch is doing its part in uncovering new potential in the region. We were the first company to recognise the potential for lead-zinc-silver mineralisation, other than Broken Hill style, in the Broken Hill region. At our Mundi Plains project, a recent intersection of Mississippi Valley style (MVT), high grade lead-zinc-silver in Adelaidean-age rocks by joint venturer Teck Cominco has born this out and has highlighted potential for a new target type over a wide area.

PlatSearch has 18 tenements in the Curnamona Province being explored for copper, lead, zinc, silver, gold and uranium by joint venturers Teck Cominco, Newcrest, Red Metal, Perilya, Crossland Uranium, Minotaur and CBH Resources.

The **MUNDI PLAINS** project at Broken Hill comprises two tenements, Mundi Plains EL 6404 in NSW and Junction Dam EL 3328 in SA. The two tenements cover

PlatSearch's tenements and joint venture relationships in the Broken Hill region

an area of 650 square kilometres in one of the most prospective parts of the Curnamona Craton for large lead-zinc-silver and copper-gold deposits and embrace a thick and highly metal-anomalous sequence with a strike length of at least 50 kilometres. Most previous drillholes in this sequence have encountered strongly anomalous base metals and/or precious metals.

In the northern and eastern parts of the Mundi Plains tenement the prospective lithologies occupy tight, roughly circular, domal structures (Domes 1-5). At the Dome 5 prospect previous drilling (Plutonic 1997) discovered a classical Broken Hill type lode sequence with at least 120 metres true thickness of stacked mineralised garnet-quartzite and banded iron layers, with minor banded lead-zinc mineralisation.

In May 2007 joint venturer **Teck Cominco** completed three deep diamond drillholes seeking Broken Hill type (BHT) zinc-lead-silver at the Dome 3 (drillhole DT1) and Dome 5 (drillholes DF1 and DF2) prospects. At Dome 5 drillhole DF2 intersected high grade, massive, carbonate-hosted MVT lead-zinc sulphides within the Adelaidean cover sequence, followed by a 610 metre thickness of extremely pyritic to pyrrhotitic Paragon Group metasediments. Intersections in drillhole DF2 included 1.0 metre at 8.03% lead, 13.88% zinc and 75 g/t silver and 3.06 metres at 0.17% lead, 6.95% zinc and 4 g/t silver. DF1 intersected a thin BIF package at 980 metres with minor lead-zinc sulphides.



The high grades and/or favourable geological indications encountered by this drilling are very encouraging. Persistent exploration by PlatSearch and its joint venturers has demonstrated the existence of a "stacked" mineralised system at this prospect with potential for three distinct styles of mineralisation - Broken Hill Style, Mt Isa/Century Style (SEDEX) and Mississippi Valley Style.

A detailed gravity survey over the Dome 5 area to assist in defining additional drilling targets is in progress. Further drilling is planned at Dome 5, at Polygonum prospect and in the Junction Dam tenement across the state border in SA.

Funded by **CBH Resources (CBH)**, the **ZINCSEARCH JOINT VENTURE** has continued an extensive programme of soil geochemical sampling using the Niton XRF analyser on seven joint venture tenements located on the Broken Hill Block. Over the entire joint venture tenement package more than 47,000 sites have been sampled at an average rate of about 200 samples per day. This work has identified and mapped a large number of strong lead-zinc and copper anomalies. Many of these anomalies have not been recognised before and are untested by drilling. CBH is conducting a full review and interpretation of all work in preparation for a joint venture meeting in Broken Hill during the December 2007 quarter to select anomalies for drill testing.

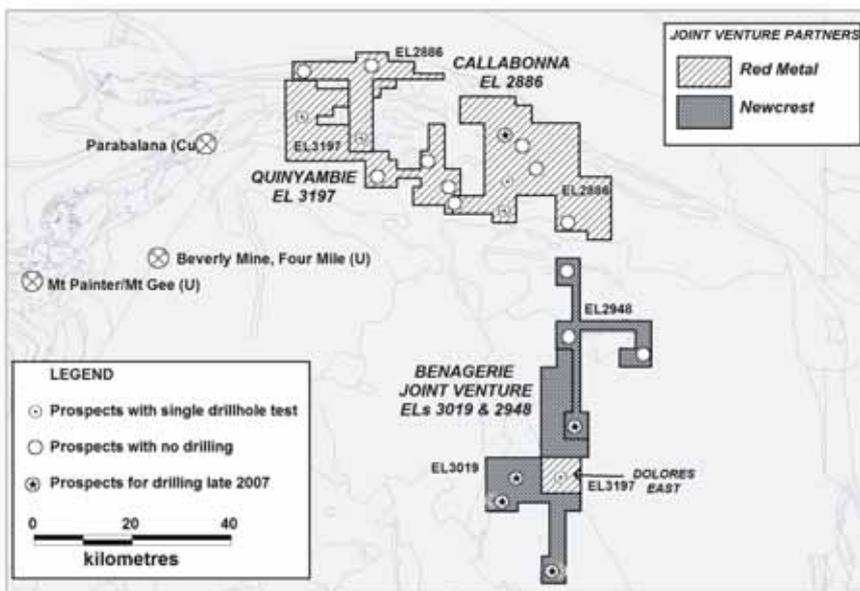
The **STEPHENS-CENTENNIAL** project tenement is located in the heart of the Broken Hill Block, approximately 7 to 15 kilometres west and northwest from the Broken Hill line-of-lode. Joint venturer Teck Cominco completed a 960 metre diamond core hole at the Stephens Trig prospect, however, no obvious mineralisation was encountered. Teck subsequently completed an extensive programme of soil geochemical sampling using a Niton XRF Analyser that identified several extensive zones of strong lead-zinc values. Following Teck's withdrawal from the joint venture, the remaining partners PlatSearch, Triako (CBH) and Eaglehawk are reviewing the geochemical results and planning further testwork.

At the **HILLSTON PROJECT** south-west of Broken Hill, joint venturer **Perilya** has continued a steady exploration programme through the year based on systematic soil geochemistry using the Niton XRF portable analyser.

Minotaur Exploration entered a joint venture on the **HOLLIS TANK PROJECT** in August 2007. Most of the Hollis Tank tenement is covered by extensive but shallow soil cover and this has hampered previous exploration. The NSW Geological Survey mapping identifies a number of outcropping gossans in Broken Hill and Thackaringa Group rocks where previous work has shown strong and widespread anomalism in zinc, copper, lead, cobalt, gold and silver from soil and rock-chip sampling and RAB geochemistry.

The Great Goulburn Mine workings occur within the tenement area. These workings lie within a 300 x 700 metre area of outcropping gossanous rocks where rock-chip sampling by PlatSearch gave anomalous values up to 1.17 g/t gold and 2,020ppm cobalt. Previous drilling at this prospect by Australian Anglo American Ltd in 1981 intersected

massive magnetite-sulphide lodes with anomalous intervals of 23.3 metres of 1,380ppm cobalt and 0.39 g/t gold and 9.8 metres of 1,445ppm cobalt and 0.3 g/t gold. PlatSearch completed three RC holes in 2002. One hole intersected 8 metres of 552ppm cobalt and 0.27 g/t gold. There is considerable untested potential at this prospect. Elsewhere in the Hollis Tank licence, PlatSearch has defined three key prospects, Boags, Singha and Fosters where previous rock-chip sampling and reconnaissance RAB drilling shows anomalous base and precious metal values. Minotaur will conduct further detailed work at Great Goulburn and other prospects and complete at least one 200-metre RC percussion drillhole.

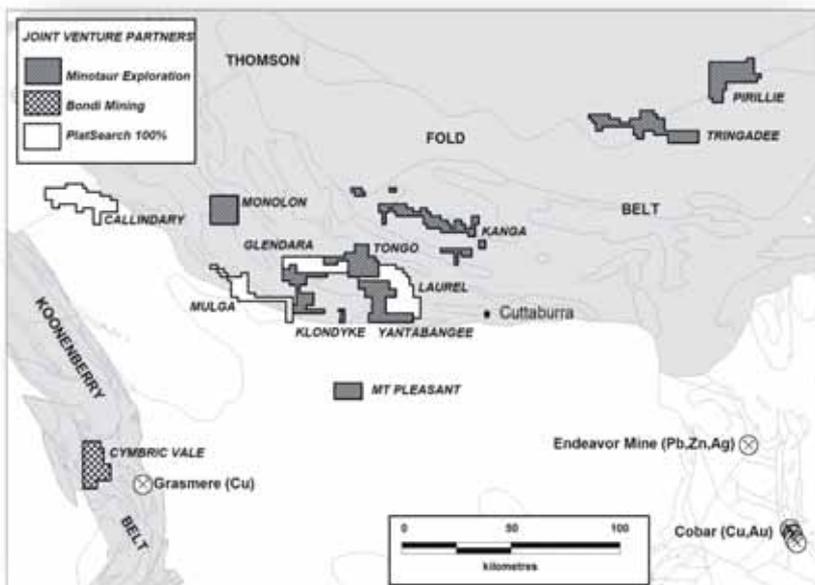


PlatSearch's tenements and joint venture relationships in the northern Curnamona Craton, SA

Newcrest completed seven rotary/core holes on a series of gravity and magnetic anomaly targets in the



BENAGERIE JOINT VENTURE. One of these holes, BRD007, intersected two zones of fracture fill, specular haematite-sericite-quartz-carbonate-pyrite at 297–327 metres and 373–400 metres depth. Both of these intervals contain narrow, strongly brecciated zones with weakly anomalous gold, molybdenum, bismuth, cerium and lanthanum. Of the seven holes drilled, five were targeted on discrete gravity anomalies, one on a combined gravity and magnetic anomaly target and one (BRD007) on the margin of a relatively strong magnetic anomaly target (Anomaly 'C'). Following the encouraging result obtained in BRD007 further drilling will give emphasis to magnetic anomaly targets. There are at least four large untested magnetic anomalies targets in this category, including Anomaly 'C'. These anomalies have been interpreted and drill targets defined. Drilling is expected to recommence in the December 2007 quarter.



The **CALLABONNA** and **QUINYAMBIE** tenements are located in the north-western portion of the metal-rich Curnamona Province of South Australia. Joint venturer **Red Metal** is targeting Olympic Dam-style copper, gold and uranium mineralisation in basement rocks and uranium mineralisation hosted in the younger sedimentary sequences which host the nearby Beverley and Four Mile uranium deposits. High resolution airborne electro-magnetic surveying is scheduled to be flown over the tenements during October to help map prospective paleochannels in preparation for follow-up drilling scheduled for the first quarter of 2008. Gravity and magnetic data show clear evidence for many large, discrete ironstone systems prospective for copper-gold uranium mineralisation in the basement rocks which Red Metal are also evaluating.

PlatSearch's tenements and joint venture relationships in the Thomson Fold Belt and Koonenberry Belt, NSW

PlatSearch's tenements and joint venture relationships in the Thomson Fold Belt and Koonenberry Belt, NSW. Numerous spot uranium anomalies have been defined by the survey including over the KR4 prospect, where a narrow zone of uranium-bearing davidite veining extends over a 1.5 kilometre strike length. Most of the tenement is covered by thin alluvial cover with only isolated "windows" of outcrop. Ground follow up of the results is in progress and will include shallow drilling to test beneath the alluvial cover.

Crossland Uranium Mines completed a very detailed airborne radiometric and magnetic survey over the **KALABITY PROJECT** tenement

THOMSON FOLD BELT

The vast area of the **THOMSON FOLD BELT** is located in the north-west corner of NSW and is one of the last "frontiers" for exploration in NSW. Interest in this region has been

stimulated by the release of new, detailed aeromagnetic data by the NSW Department of Primary Industries. This data has revealed many structures and magnetic targets of economic interest and has indicated that the depth to prospective basement rocks is not as deep as thought previously. Using the recent aeromagnetic data PlatSearch has identified a possible continuation of the Siluro-Devonian Cobar Basin rocks under shallow cover on the southern margin of the Thomson Fold Belt and moved quickly to secure large areas prospective for base and precious metals and diamonds.



The F8 anomaly – one of eight targets to be drill tested by Minotaur in the Thomson Fold Belt, NSW

Encouraging intersections by Compass Resources NL at their nearby Cuttaburra prospect have highlighted the potential of the Thomson Fold Belt for Cobar-style base metal mineralisation. Compass reported that two holes intersected a stratigraphic sequence similar to the Cobar Basin sequence at a depth of approximately 75 metres beneath the cover rocks and that both holes intersected pyrite and or pyrrhotite mineralisation with anomalous values of copper, zinc, tungsten and silver.



PlatSearch now holds 12 granted tenements and one tenement application in the Thomson Fold Belt covering a combined area of 1,900 square kilometres and has identified at least 30 magnetic anomaly targets that, in PlatSearch's opinion, justify drill testing for similar style mineralisation. PlatSearch has conducted ground magnetic surveys over 12 selected anomalies in preparation for drill testing.

Six joint ventures covering eight tenements were signed with **Minotaur Exploration** during the year. Minotaur will conduct drilling on all eight tenements testing a range of magnetic targets with potential for base and precious metals and diamonds. This represents a major commitment by Minotaur which plans to spend at least \$500,000 on drilling scheduled to commence during October 2007.

KOONENBERRY BELT



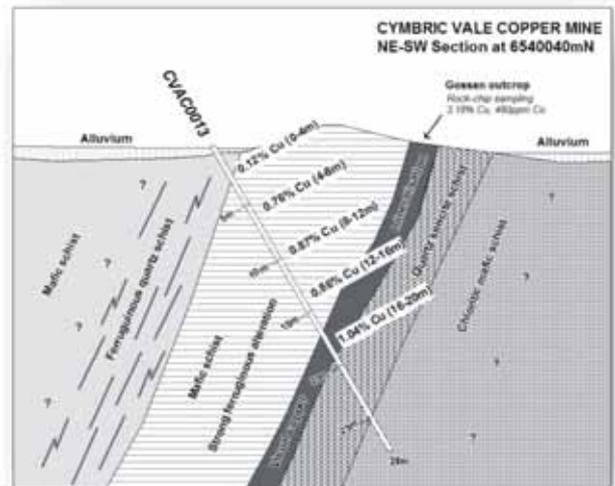
The Koonenberry Belt is located approximately 120 kilometres northeast of Broken Hill and extends for over 200 kilometres in outcrop and many hundred of kilometres under shallow soil cover. It is characterised by multiple, deep crustal, dip-slip fault structures with subsidiary splays and cross structures. A number of ultramafic intrusives in the region (such as at Mt Wright and Cymbric Vale) suggest that these faults are mantle-tapping structures - favourable indications for the occurrence of sulphide nickel deposits. Large parts of the Koonenberry Belt are being actively explored for nickel by major nickel companies.

Field work to investigate nickel and copper prospects commenced at the **CYMBRIC VALE PROJECT** by joint venturer **Bondi Mining**. Bondi completed rock-chip sampling followed by a programme of air-core and RC drilling at four sites where 751 metres were drilled in 20 holes.

At the Cymbric Vale Copper Mine gossanous outcrops occur over 1.2 kilometres of strike length. Rock-chip sampling returned high-grade copper up to 5.61% and 4.91% and anomalous gold to 0.11 g/t. Two aircore holes 600 metres apart, contained secondary copper mineralisation, broad zones of alteration and anomalous copper grades. Furthermore, both holes were collared in what has been discovered to be copper anomalous alteration, leaving the prospect open to the west, north, south, along strike and downdip. Hole CVAC003 intersected 16 metres at 0.88% copper.

Rock-chip sampling at the Baroorangie Creek and Horseshoe Hills prospects returned nickel values up to 2,200ppm (0.22%) and the area is considered prospective for ultramafic related nickel, copper and platinum group elements. Five aircore holes intersected ultramafic rocks and the ultramafic body was found to be at least 500 metres wide.

At the Rawlins Tank prospect numerous quartz veins and related silicification adjacent to regional-scale fault structures occur on an east-west striking ridgeline covering an area of approximately 2 square kilometres. Rock-chip sampling by Bondi returned up to 4.96% copper and 0.13 g/t gold. Three aircore holes (84 metres) intersected strongly altered and multiply veined, visually mineralised rocks.



Drill section at the Cymbric Vale Copper Mine where shallow drilling by Bondi Mining has intersected a wide zone of copper mineralisation

At the Rawlins Tank prospect numerous quartz veins and related silicification adjacent to regional-scale fault structures occur on an east-west striking ridgeline covering an area of approximately 2 square kilometres. Rock-chip sampling by Bondi returned up to 4.96% copper and 0.13 g/t gold. Three aircore holes (84 metres) intersected strongly altered and multiply veined, visually mineralised rocks.

GAWLER CRATON



The Gawler Craton is one of the more active exploration provinces in Australia, sparked by a major copper-gold discovery at Carapateena (RMG Services/Teck), discoveries of rich zircon deposits at Jacinth, Ambrosia and Tripicata

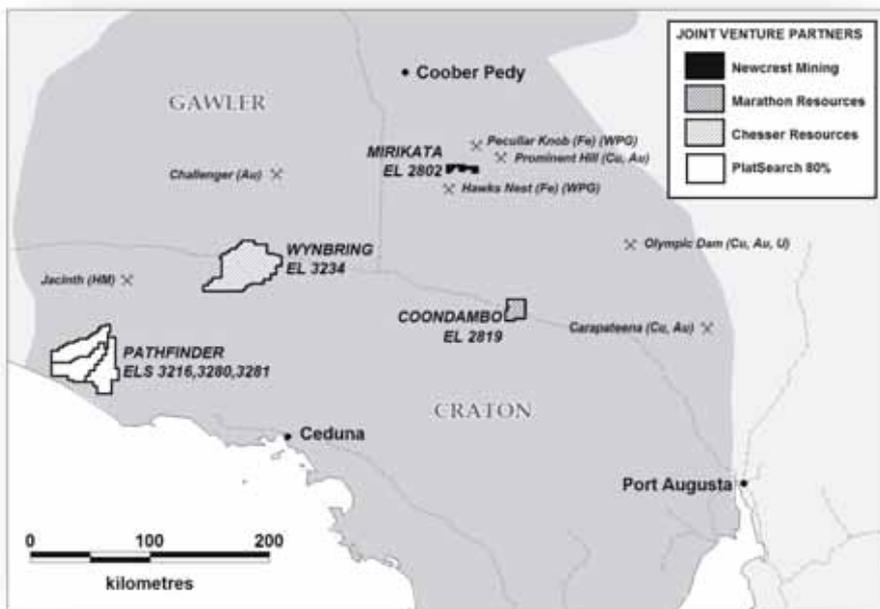
(Iluka), encouraging drilling results at Tunkillia gold project (Helix/Minotaur) and commencement of the Prominent Hill copper-gold mine (Oxiana).

Located approximately 25 kilometres west of the Prominent Hill copper-gold project the **MIRIKATA PROJECT** tenement contains several strong gravity and magnetic anomaly targets. A joint venture was signed with **Newcrest** targeting Olympic Dam-style copper-gold-uranium mineralisation.

Newcrest completed 2,088 metres in four inclined rotary/core holes. The holes targeted selected magnetic and gravity anomalies. Newcrest's hole MRK4 targeted the down-dip zone of elevated gold and base-metal geochemistry



intersected by a previous hole MRK2A. MRK4 entered basement at 388.9 metres and intersected a clay-chlorite-sericite altered shear zone with variable percentages of brecciated, quartz, carbonate and rare sulphide veins. Assay results are expected in early October.



The large **WYNBRING PROJECT** tenement is the basis of a joint venture with **Chesser Resources** signed in March 2007. Chesser must complete a \$225,000 programme by May 2008. The Wynbring tenement covers an area of approximately 2,000 square kilometres in the northern part of the Fowler Domain and straddles two major tectonic discontinuities, the Coorabie and Colona Shear zones. Publications by Primary Industries and Resources South Australia (PIRSA) point to clear similarities between the Fowler Domain and the Thompson Nickel Belt of Manitoba, Canada, which hosts many world-class nickel deposits. Despite this promotion and the now widely accepted prospectivity of the region, there has been little effective exploration in the area and drillholes are scarce. The area also shows evidence of prospectivity for copper and gold and palaeochannel-hosted uranium.

PlatSearch tenements and joint venture relationships in the Gawler Craton, SA

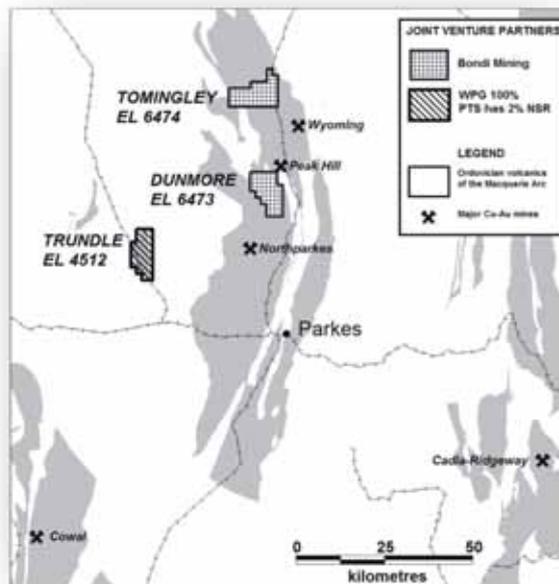
Previous exploration has revealed a 30 kilometre-long zone of intermediate to ultramafic rocks adjacent to a major structure (Colona Shear Zone) and geochemically anomalous in gold, nickel, chromium, platinum and palladium. Within this zone, a PIRSA drillhole intersected highly anomalous chromium in ultramafic rocks in two holes. Chesser will fund a programme of ground electromagnetic surveys scheduled to commence in early October 2007. This will be followed by aircore drilling on selected targets. PIRSA has approved PACE funding assistance for this drilling, to a maximum of \$75,000.

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



PlatSearch has significant exposure to potential for large, porphyry style copper-gold deposits through its Dunmore and Tomingley tenements and the Trundle and Peak Hill East tenements held by Western Plains Resources. These projects are located in an island-arc environment within the Bogan Gate synclinal zone, an important "corridor" that hosts several significant gold-copper and gold porphyry deposits including Northparkes, Cowal and Wyoming and also the recently mined, epithermal gold deposits at Peak Hill and Gidginbung. Mineral resources total of about 7.8 million ounces of gold have been discovered by exploration within this corridor since 1977.

An ultra-detailed aeromagnetic survey was completed over both the **DUNMORE** and **TOMINGLEY** Project tenements. There are 11 targets for possible porphyry style pipes and skarn deposits which have been



PlatSearch tenements and joint venture relationships in the Parkes area of the Lachlan Fold Belt, NSW



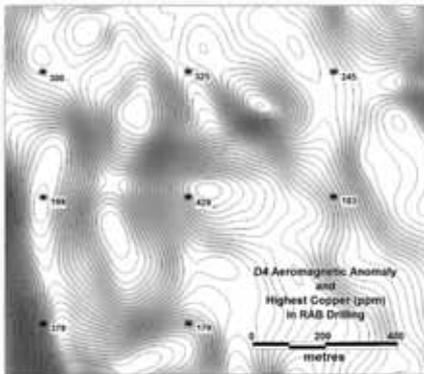
defined in the Dunmore tenement and six in the Tomingley tenement. Porphyry copper systems often have recognisable magnetic signatures, sometimes as discrete “high” anomalies and sometimes as “low” anomalies surrounded by a ring of “highs”. The D4 prospect is one such anomaly, where previous wide spaced RAB drilling shows anomalous copper up to 439ppm. The detailed aeromagnetic data has also assisted in defining a 6 kilometre long structure that will be explored using RAB drilling for multiple quartz-vein style gold deposits. RAB drilling to test these targets commenced in late August 2007.

PlatSearch holds a 1.6% NSR royalty interest in the **TRUNDLE** tenement being explored by WPG. Following the completion of detailed RAB C-horizon geochemistry WPG drilled two RC percussion holes at the Mordialloc prospect. Both holes intersected significant intervals of low-grade porphyry style copper-gold mineralisation beneath coincident gold and copper anomaly peaks. Intersections included 114 metres at 0.13% copper and 0.08 g/t gold in hole TR-48. The copper-gold mineralisation is contained within a large porphyry system that has overall dimensions of 1,400 metres north-south by 950 metres east-west. Follow-up drilling is being planned to further test this system.

NEW ENGLAND FOLD BELT



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



The **KEMPSEY PROJECT** tenement area covers an area of extensive previous exploration by both BHP and CRA. CRA focused on exploration for tin outlining mineralisation of about 5 million tonnes at 0.17 g/t tin within the area. PlatSearch is working towards obtaining sufficient data to be confident of estimating a resource. Our data compilation reveals a semi-circular complex of gold, copper, tin and zinc mineralisation within Permian sediments, volcanics and high level intrusive rocks. Existing drillholes that targeted tin have not been assayed for gold and those that have been assayed for gold are strongly anomalous, with many holes ending in metal anomalism.

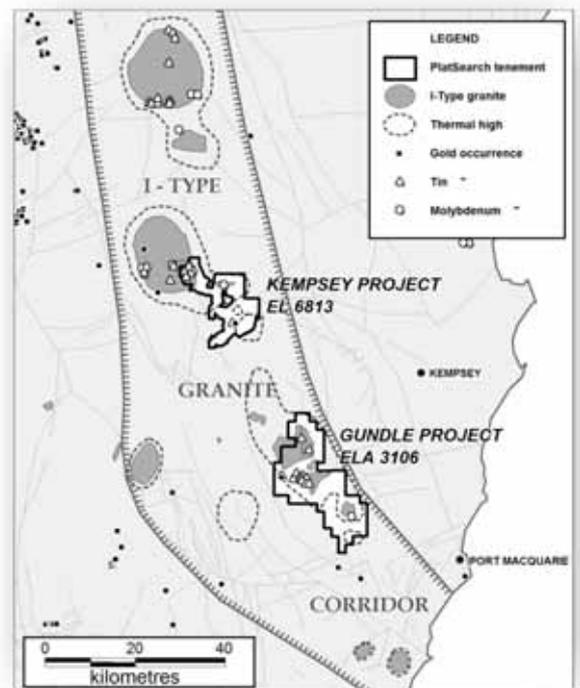
Intersections in holes targeting tin without gold assays include 16 metres at 0.40% Cu, 0.41% Pb, 0.26% Zn, 53.3 g/t Ag and 0.31% Sn and 4 metres at 1.77% Cu, 0.87% Pb, 12.4% Zn, 217.5 g/t Ag and 0.14% Sn. Intersections in holes targeting gold include 114 metres at 0.28 g/t Au (0 – 114 metres) and 88 metres at 0.40 g/t Au (4 – 88 metres). All of these holes ended in mineralisation.

The D4 magnetic anomaly in the Dunmore tenement scheduled for detailed RAB drilling by Bondi Mining

PlatSearch intends to undertake intensive soil geochemistry utilising the Niton portable XRF instrument to help target drilling to further explore the project and surrounding areas. A systematic evaluation of previous exploration will also be undertaken with a focus on the porphyry copper-gold potential of the project.

Previous work has defined a number of other prospects within the tenement area. The Ivy Ridge, Crystal Ridge, Mt Jacob, Mt Jacob North and Willi Willi prospects form part of a single intrusive complex underlain by a composite pluton. Anomalous copper, gold, tin, tungsten and/or molybdenum rock-chip and soil samples have been recorded at these prospects. It is clear that the tenement has significant potential for a range of deposits styles and commodities.

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



PlatSearch tenements in the New England Fold Belt, NSW



EASTERN IRON LIMITED



PlatSearch has launched a bold new concept to investigate the potential for iron ore production from the very large quantities of shallow, low-grade, easily extractable iron-rich material that exists in the extensive networks of palaeochannels in parts of western NSW. PlatSearch has formed a 100% owned subsidiary company **Eastern Iron Limited** to further these investigations. PlatSearch holds five granted tenements and has applied for a further ten tenements covering a total area of approximately 4,300 square kilometres and embracing many hundreds of kilometres of prospective palaeochannels.

Important factors regarding this opportunity are as follows:

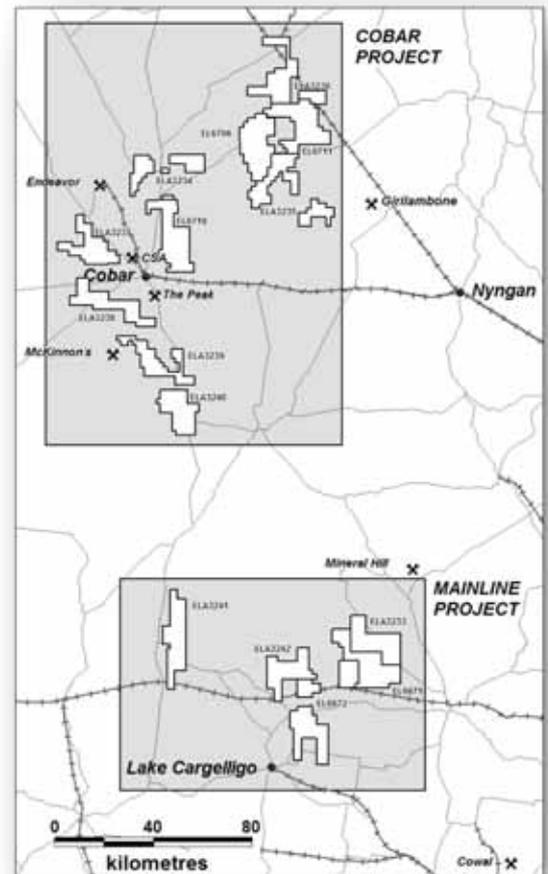
- The iron occurs as the mineral maghemite in pisolitic gravels. Maghemite is chemically the same as haematite, the mineral that is used as iron ore feed for pig-iron manufacture.
- The in-situ iron grade is relatively low (15-35%), but because maghemite is magnetic it can be upgraded cheaply on-site using magnetic separation processing.
- The pisolite gravels occur at shallow depth (<15 metres) and can be easily and cheaply extracted.
- All of the tenements lie within a region that is endowed with substantial infrastructure, including townships, a good road network, natural gas and heavy gauge rail to the eastern seaboard particularly the ports of Newcastle and Port Kembla.
- The palaeochannels that contain these gravels can be easily identified using specialised processing of aeromagnetic data. The selection of prospective channels has been assisted by the availability of high quality aeromagnetic data provided by the NSW Department of Primary Industry.

The testwork conducted to date is limited and preliminary, however the results are sufficiently encouraging to proceed with more extensive drilling and testwork. Shallow aircore drilling has been undertaken at four sites across selected palaeochannels and has provided material for preliminary assaying and metallurgical testwork. The results show channel widths of 300-500 metres with significant thicknesses (5 to 15 metres) of iron-rich material averaging 15-35% iron with shorter intervals up to 36.7% iron. Preliminary metallurgical testwork indicates that on-site

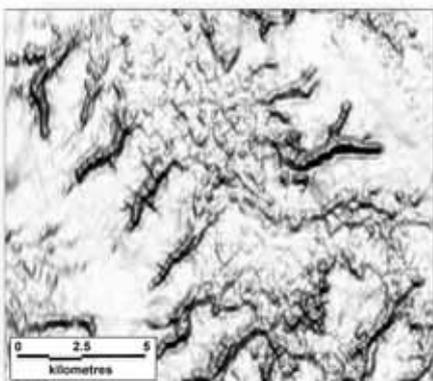
magnetic separation on run-of-mine material can upgrade the material to a product containing at least 50% iron (71.5% Fe₂O₃).

The work so far has indicated that there is significant variability in the magnetic pisolite content. A priority for further work will be to identify those channels, or parts of channels, that contain more maghemite-rich pisolites with the potential to upgrade to higher iron content.

Eastern Iron is examining funding of a programme of extensive drilling, testwork and feasibility studies and this may involve listing on the ASX.



Location of PlatSearch and Eastern Iron tenements in western NSW



Aeromagnetic image over a network of iron-rich palaeochannels that can be identified and mapped using specialised processing of aeromagnetic data



MT ISA INLIER



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

The **LILLEYVALE PROJECT** tenement contains a large mineralised, iron-oxide breccia system that shows both Cloncurry-style iron-oxide copper-gold and Broken Hill Type lead-zinc mineralisation characteristics. It was discovered by a deep diamond core hole (LIL-001) drilled to 777 metres by the PlatSearch/Inco joint venture in 2001. After entering Proterozoic basement at 572 metres, drillhole LIL-001 intersected a 200 metre interval of altered ironstone containing magnetite-pyrite mineralisation in a banded and brecciated quartz-feldspar-magnetite rock. Between 673 and 730 metres there is a wide interval of low-grade copper-gold mineralisation, grading 46 metres at 0.2% Cu, 0.112 g/t Au, including 11.1 metres at 0.49% Cu, 0.318 g/t Au and 1.2 metres at 1.46% Cu and 1.07 g/t Au.

The project lies on the northern fringe of the Eromanga basin where Mesozoic and Permian rocks overlay Lower Proterozoic basement rocks belonging to the Mt Isa Inlier mineral province. Within the Lilleyvale tenement there are two very prominent magnetic and gravity anomalies that reflect the presence of large buried iron-rich systems. These anomalies lie on a major north-south trending structure that extends for some 300 kilometres to the north. The Cannington, Osborne, Selwyn, Mt Elliott, Eloise and Ernest Henry mines are all located on or close to this structure to the north.

Additional gravity surveys to firm up drilling targets were completed during the year. Joint venturer **WCP Resources** is scheduled to commence two deep rotary/core holes in October 2007.

WESTERN PLAINS RESOURCES



The value of PlatSearch's shareholding in WPG increased very substantially during the year. Following its acquisition in October 2006 of Southern Iron Pty Ltd which held significant deposits of iron ore in South Australia, WPG has focussed on

the development of the direct shipping iron ore (DSO) resource at **PECULIAR KNOB** and further exploration at **HAWKS NEST**. PlatSearch holds 6.375 million WPG ordinary shares, 1.375 million options exercisable at \$0.25 and 3.475 million options exercisable at \$0.35.

Peculiar Knob is a high-grade specular haematite DSO deposit with very low levels of impurities. Hawks Nest contains five known magnetite deposits occurring in banded iron formations, one known DSO deposit (Buzzard) and one high grade, altered, magnetite deposit (Kite). The Identified Mineral Resource for the Peculiar Knob project now totals 19 million tonnes at an average grade of 63.7% Fe. At Hawks Nest the Buzzard Mineral Resource has been increased to 9.1 million tonnes at an average grade of 60.1% Fe. (Resources figures prepared in accordance with the JORC code by competent persons Mr Gary Jones and Mr Arnold van der Heydon as set out in the WPG quarterly activities report June quarter 2007 dated 30 July 2007.) A feasibility study for the commencement of mining at Peculiar Knob has been completed recently and two new zones of high-grade iron mineralisation have been identified by recent drilling at Hawks Nest.

A draft mining lease application for the Peculiar Knob project has been lodged and is expected to be granted in February 2008. Peculiar Knob is located 30 kilometres east of the Stuart Highway, 50 kilometres northwest of Oxiana's Prominent Hill mine and 100 kilometres east of the main Adelaide-Darwin railway line which provides access to the ports of Whyalla, Port Augusta and Port Pirie. Hawks Nest straddles the Stuart Highway and is 45 kilometres from the railway line.

In July 2007 WPG executed a binding heads of agreement with Focus Investment Limited and Tangshan Xingye Industry and Trade Group Co Ltd regarding an offtake and funding package for the development of the Peculiar Knob mining project and WPG expects the final financing arrangements to be in place by 31 December 2007.

Bob Richardson
Managing Director

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

SUMMARY OF JOINT VENTURES

as at 27 September 2007



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

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

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

PlatSearch 80% and Bohoun Resources 20%. In the event of a farm-out of a tenement to a third party, both parties would dilute in proportion 80:20.

Callabonna EL 3695, SA

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

Coondambo EL 3593, SA

PlatSearch 50% and Marathon Resources 50%. PlatSearch has a 50% joint venture interest in this EL. Marathon can earn 80% by spending \$1 million within four years. PlatSearch can contribute with 20% or reduce to a 10% interest, carried to completion of a bankable feasibility study and then participate or convert to a NSR royalty.

Copper King EL 5919, Razorback EL 6600, Yanco Glen EL 5764 and Ziggys EL 6036, NSW

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

Cymbric Vale ELs 6403 and 6834, NSW

PlatSearch 50% and Paradigm Mexico 50%. Bondi Mining can earn a 60% interest by spending \$750,000 within three years. PlatSearch/Paradigm can then contribute to expenditure on a pro-rata basis or can elect to dilute to a 20% interest free-carried to a bankable feasibility study. In the event of a bankable feasibility study, PlatSearch/Paradigm may either contribute pro rata to development (20%) or dilute to a NSR royalty.

Dunmore EL 6473 and Tomingley EL 6474, NSW

PlatSearch 90% and RobertsConsulting 10%. Bondi Mining can earn a 60% interest by spending \$1 million within three years. PlatSearch/RobertsConsulting can then contribute to expenditure on a pro-rata basis or can elect to dilute to a 20% interest free-carried to a bankable feasibility study. In the event of a bankable

feasibility study, PlatSearch/RobertsConsulting may either contribute pro rata to development (20%) or dilute to a NSR royalty.

Euriowie ELs 5771 and 6188, NSW

PlatSearch 80% and Eaglehawk 20%. Western Plains Resources can earn a 60% interest by spending \$750,000 by September 2008. PlatSearch can then contribute with 32% or reduce to a 16% interest free-carried to completion of a bankable feasibility study.

Frome EL 3019, SA

PlatSearch 50% and Allender 50%. Newcrest can earn a 70% interest in the licence by completing expenditure of \$2 million before April 2010. When Newcrest earns a 70% interest PlatSearch can elect to participate in further expenditure with a 15% interest, or reduce to a 10% interest carried via a non-recourse loan up to a decision to mine stage, or reduce to a 5% free-carried to decision to mine. At decision to mine PlatSearch can elect either to participate or convert its interest to a NSR royalty.

Kalabity EL 3297, SA

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

Klongobangee ELs 6630,6631 and 6664, NSW

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

Hillston EL 6363, NSW

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



Hollis Tank ELs 5765, NSW

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

Lilleyvale EPM 12115, QLD

PlatSearch 100%. WCP Resources can earn a 60% interest by spending \$1.5 million within three years when the parties will contribute on a pro-rata basis or PlatSearch may elect to dilute to a 15% interest, free-carried to a bankable feasibility study. In the event of a bankable feasibility study, PlatSearch may either contribute pro rata to development or dilute to a NSR royalty.

Mirikata EL 3537, SA

PlatSearch 100%. Newcrest can earn a 70% interest in the licence by completing expenditure of \$2 million within five years. PlatSearch then can elect to participate in further expenditure with a 30% interest, reduce to a 20% carried interest or convert its interest to a net smelter royalty. If PlatSearch reduces to a 20% carried interest, then its 20% share of costs will be carried by Newcrest up to the decision to mine, however 50% of these costs, plus interest, must be repaid to Newcrest from mine proceeds; and at decision to mine, PlatSearch can elect to participate its 20% share of costs, or convert to a NSR royalty.

Mt Pleasant EL 6668, Monolon EL 6646 and Kanga EL 6632 and ELA 3015, NSW

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

Mulyungarie EL 3478, SA

PlatSearch 80% and Eaglehawk 20%.

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

PlatSearch 100% of EL 6404 and PlatSearch 80% and Eaglehawk 20% of EL 3328. Teck Cominco Australia

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

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

PlatSearch 50% and Crossland Uranium Mines 50%.

Poverty Lake EL 3831, SA

PlatSearch 50%, Allender 25% and Hosking 25%. Newcrest can earn a 70% interest in the licence by completing expenditure of \$2 million before April 2010. PlatSearch then can elect to participate in further expenditure with a 15% interest, or reduce to a 10% interest carried via a non-recourse loan up to a decision to mine stage, or reduce to a 5% free-carried interest to decision to mine. At decision to mine PlatSearch can elect either to participate or convert its interest to a NSR royalty.

Quinyambie EL 3197, SA

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

Stephens-Centennial EL 6132, NSW

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

Trundle EL 4512, NSW

PlatSearch holds an NSR royalty interest.

Woodlawn South ELs 5652, 6611 and 6551, NSW

PlatSearch holds an NSR royalty interest.

Wynbring EL 3234, SA

PlatSearch 100%. Chesser Resources can earn a 60% interest by spending \$1.5 million within four years. PlatSearch then can participate with its 40% interest, or reduce to a 20% interest, free-carried to completion of a favourable bankable feasibility study (BFS) and decision to mine. At the completion of a BFS and decision to mine PlatSearch can elect to either participate in further expenditure in proportion to its interest or convert its participating interest to an NSR interest.

SCHEDULE OF TENEMENTS

as at 27 September 2007



Tenement	Tenement Number	Interest	Joint Venture Details
NEW SOUTH WALES			
Broken Hill			
Mundi Mundi	EL 4657	100%	-
Mundi Plains	EL 6404	100%	Teck can earn 80%
Euriowie	ELs 5771 and 6188	80%	WPG can earn 60%, Eaglehawk 20%
Stephens-Centennial	EL 6132	48%	Note 1
Hollis Tank	EL 5765	80%	Minotaur can earn 80%, Eaglehawk 20%
Hillston	EL 6363	80%	Perilya can earn 80%, Eaglehawk 20%
Yanco Glen, Razorback, Copper King and Ziggys	ELs 5764, 6600, 5919 and 6036	16%	BH Operations 80%, Eaglehawk 4%
Apollyon Valley, Big Aller and Mt Robe	ELs 6475, 6147 and 5646	20%	BH Operations 80%
Cymbric Vale	ELs 6403 and 6834	50%	Bondi can earn 60%, Paradigm Mexico 50%
Tongo, Yantabangee, and Klondyke	ELs 6630, 6631 and 6664	100%	Minotaur can earn 80%
Mt Pleasant, Monolon and Kanga	ELs 6668, 6646 and 6632 and ELA 3015	100%	Minotaur can earn 80%
Tringadee and Pirillie	ELs 6850 and 6851	100%	-
Interceptor, Humungus and Gyro	ELs 6863, 6864 and 6865	100%	-
Callindary, Laurel, Glendara, Mulga	ELs 6723, 6721, 6720 and 6766	100%	-
Cobar			
Cobar East, Coronga and Coolabah West	ELs 6710, 6711 and 6706	100%	-
Eastern Iron Projects	ELAs 3233-3242	50%	50% Eastern Iron Ltd
Bimbella and Euabalong	ELs 6671 and 6672	100%	-
Lachlan Fold Belt			
Woodlawn South	ELs 5652, 6611 and 6551	0%	Royalty interest only
Trundle	EL 4512	0%	Royalty interest only
Dunmore and Tomingley	ELs 6473 and 6474	90%	RobertsConsulting 10%, Bondi can earn 60%
New England Fold Belt			
Mt Jacob	EL 6813	100%	-
Gundle	ELA 3106	100%	-
QUEENSLAND			
Horse Creek	EPM 13304	100%	-
Lilleyvale	EPM 12115	100%	WCP can earn 60%
SOUTH AUSTRALIA			
Mirikata	EL 3537	100%	Newcrest can earn 70%
Callabonna	EL 3695	100%	Red Metal can earn 70%
Kalabity	EL 3297	80%	Crossland can earn 60%, Eaglehawk 20%
Mulyungarie	EL 3478	80%	Eaglehawk 20%
Junction Dam	EL 3328	80%	Teck can earn 80%, Eaglehawk 20%
Quinyambie	EL 3197	52.6%	Red Metal can earn 70%, Note 2
Coondambo	EL 3593	50%	Marathon Resources 50%
Poverty Lake	EL 3831	50%	Newcrest can earn 70%, Allender 25% and Hosking 25%
Frome	EL 3019	50%	Newcrest can earn 70%, Allender 50%
Toolgerie, Black Hill and Yalata	ELs 3216, 3281 and 3280	80%	Bohoun Resources 20%
Wynbring	EL 3234	100%	Chesser can earn 60%
Officer Basin Project	ELAs 2007/246-247 and 2007/286-287	50%	Crossland 50%

EL = Exploration Licence

EPM = Exploration Permit for Minerals

ELA = Exploration Licence Application

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

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

Note 3: In addition to the interests above WPG (Western Plains Resources Ltd – currently owned 8.26% by PlatSearch) has a 100% interest in ELs 6342, 6367, 6675, 6655 and 3196 and RL 103 and MCs 3809 and 3810 and PlatSearch holds shares and options in WPG.



Your Directors submit their report for the year ended 30 June 2007.

Directors

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

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

Ray Soper is a mining engineer and company director, with over 40 years experience in mining operations, project development, mineral economics, investment management, strategic analysis and merchant banking. He has worked with MIM Holdings, Renison Goldfields, McKinsey and Co, Peko-Wallsend Ltd, Lachlan Resources and Resource Finance Corporation in the fields of mining, mineral economics, mining finance, exploration, technology development and related activities. He is currently a director of Huntley Investment Company Limited. During the past three years Mr Soper was a director of listed companies King Island Scheelite Ltd, Paradigm Gold Limited and Klondike Source Ltd (now Crossland Uranium Mines Limited).

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

Bob has 42 years experience in mineral exploration management, geophysics and exploration technology. His career includes 17 years with the Peko-Wallsend Group as Chief Geophysicist and Exploration Manager. He was a founder in 1976 and Managing Director of Austirex Aerial Surveys that became a major international airborne geophysical contractor. He was a co-founder and Managing Director of Lachlan Resources NL in 1986 and PlatSearch in 1987. He is currently a non-executive Director of Western Plains Resources Ltd and Crossland Uranium Mines Limited.

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

Company Secretary since 1990. His experience has been gained over 35 years in financial and corporate roles including 17 years in company secretarial roles for ASX listed companies and 13 years as a Director of an ASX listed company. Robert has had 25 years in industry and prior to that 10 years with an international firm of chartered accountants. He is a Director of Oakhill Hamilton Pty Ltd, a company which provides secretarial and corporate advisory services to a range of listed and unlisted companies.

Directors' Interests in Shares and Options

Directors' interests in shares and options as at 30 June 2007 are set out in Note 18 to the financial statements. There have been no changes in the Directors' interests in shares and options since that date except that Mr R J Waring purchased a net 53,000 ordinary shares.

Activities

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

Results

The net result of operations after applicable income tax expense was a profit of \$1,384,354 (2006 loss - \$529,090) which includes the write-off of exploration expenditure incurred in the current and prior years of \$144,752 (2006 - \$206,293).

Dividends

No dividends were paid or proposed during the year.

Review of Operations

A review of the operations of the Company during the financial year and the results of those operations are contained in pages 3 to 10 in this report.

Corporate Structure

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

Employees

The Company had two employees, R L Richardson and P M Buckley, as at 30 June 2007 (2006 - one employee). The Company uses contract geologists and other consultants as required.



Risk Management

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

Significant Changes

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

Matters Subsequent to the End of the Financial Year

There were at the date of this report no matters or circumstances which have arisen since 30 June 2007 that have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Likely Developments and Expected Results

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

REMUNERATION REPORT (Audited)

Remuneration of the Board and Senior Management

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

Directors are encouraged by the Board to hold shares in the Company and their holdings are as follows:

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

Mr Richardson is the only Director who is an employee and his employment contract took effect on 1 July 2004. The contract sets out base rates and one month's notice is required for termination. There are no contracts in place which provide for any variable remuneration, including bonuses or commissions from the Company. Mr Waring provides consulting management, accounting and company secretarial services through Warinco Services Pty Limited.

(a) Directors' remuneration



The following table outlines the nature and amount of the elements of the remuneration of specified Directors of the Company for the year ended 30 June 2007.

	Short Term		Consulting Fees	Post Employment	Share-based	Total
	Salary	Directors Fees		Superannuation Contributions	Options	
2007	\$	\$	\$	\$	\$	\$
R L Richardson	86,368	-	-	70,000	116,600	272,968
R J Soper	-	10,000	-	-	29,700	39,700
R J Waring	-	-	72,105	-	88,000	160,105
	86,368	10,000	72,105	70,000	234,300	472,773
2006	\$	\$	\$	\$	\$	\$
R L Richardson	114,306	-	-	44,480	-	158,786
R J Soper	-	6,300	-	-	-	6,300
R J Waring	-	-	52,420	-	-	52,420
	114,306	6,300	52,420	44,480	-	217,506

(b) Key Management Personnel remuneration, shares and options

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

Key management personnel

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

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

There is no retirement scheme for Non-Executive Directors.

Directors' Benefits, Emoluments and Share Options

During its annual budget review the Board reviews the Directors' Emoluments. Remuneration levels, including participation in the Company's Share Option Plan, 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 Notes 17 and 18 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.

The emoluments of each Director for the year were as follows:

R J Soper – Director's fee \$10,000

R L Richardson – salary \$86,368 and superannuation \$70,000

R J Waring – company consultant \$72,105

Options granted to Directors in the current year are set out in Note 18 of the financial statements. Options granted to Directors in the current and previous years have an exercise price significantly higher than the market price of the shares at the date of grant. The PlatSearch share price at the date of grant of options on 24 November 2004 was 10 cents. The option exercise price is 25 cents.

Share options

Particulars of options granted over unissued shares:

- i) There were no shares issued during the year ended 30 June 2007 by virtue of the exercise of options (2006 – nil).



- ii) As at the end of the financial year and at the date of this report, the Company had on issue a total of 6,020,000 options issued under its Employee Share Option Plan as follows:
- 3,380,000 options over unissued shares exercisable by 24 November 2009 at 25 cents per share;
 - 2,340,000 options over unissued shares exercisable by 27 November 2011 at 14 cents issued in December 2006. All of these options vested on issue. The Directors have reviewed the value of these options using the Black-Scholes option valuation methodology. Using this methodology the \$0.14 options are valued at 11.0 cents and after using the key assumptions of a risk free rate of 6.04%; an exercise price of 14 cents; a share price of 14 cents, being the last traded price of the shares of the Company on ASX at the date the options were issued and a volatility of 103.17%. Accordingly the total value of the 2,340,000 \$0.14 options granted in December 2006 as included in the remuneration of Directors, employees and consultants in the 2007 financial year was \$257,400.
 - 300,000 options over unissued shares exercisable by 28 May 2012 at 18 cents were issued in June 2007. The options vest on 9 January 2008. The Directors have reviewed the value of these options using the Black-Scholes option valuation methodology. Using this methodology the \$0.18 options are valued at 13.5 cents and after using the key assumptions of a risk free rate of 6.38%; an exercise price of 18 cents; a share price of 17 cents, being the last traded price of the shares of the Company on ASX at the date the options were issued and a volatility of 104.79%. Accordingly the total value of the 300,000 \$0.18 options granted in June 2007 was \$40,500 and the charge in the 2007 financial year was \$2,556 and \$37,944 will be charged in the 2008 financial year.

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

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.

Meetings of Directors

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

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

Indemnification and Insurance of Directors and Officers

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

Environmental Performance

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

Auditor's Independence and Non-Audit Services

No non-audit services were provided by the Company's auditor, Ernst & Young. The Directors received a declaration of independence from the auditors of PlatSearch NL. It is located on page 39 and forms part of this report.

Signed at Sydney this 28th day of September 2007 in accordance with a resolution of the Directors.

R J Waring
Director



INCOME STATEMENT
for the year ended 30 June 2007

	Note	2007 \$	2006 \$
REVENUE	3	62,990	64,393
Salaries and employee benefits expense net of salaries and on costs recharged to exploration projects		-	(49,510)
Depreciation expense	10	(3,691)	(2,388)
Directors' fees	17	(10,000)	(6,300)
Exploration expenditure written-off	11	(144,752)	(206,293)
Operating lease rental expense		(36,078)	(33,676)
Auditors' remuneration	5	(24,000)	(20,691)
ASX and ASIC fees		(21,082)	(15,561)
Share registry costs		(15,630)	(15,135)
Contract administration services		(111,745)	(75,331)
Share-based compensation		(259,956)	-
Other expenses from ordinary activities		(44,545)	(65,182)
Share of net losses of associate accounted for by the equity method	8	(28,366)	(103,416)
LOSS BEFORE INCOME TAX		(636,855)	(529,090)
INCOME TAX BENEFIT/(EXPENSE)	4	2,021,209	-
PROFIT/(LOSS) AFTER TAX		1,384,354	(529,090)
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF PLATSEARCH NL		1,384,354	(529,090)
 Earnings per share			
Basic profit/(loss) per share (cents per share)	16	1.8	(0.8)
Diluted profit/(loss) per share (cents per share)	16	1.7	(0.8)

BALANCE SHEET

as at 30 June 2007



	Note	2007 \$	2006 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,194,382	211,577
Receivables	7	25,074	9,863
TOTAL CURRENT ASSETS		1,219,456	221,440
NON-CURRENT ASSETS			
Investments	8	13,312,250	592,205
Tenement security deposits	9	135,500	110,500
Plant and equipment	10	11,946	1,738
Deferred exploration and evaluation expenditure	11	664,637	352,249
TOTAL NON-CURRENT ASSETS		14,124,333	1,056,692
TOTAL ASSETS		15,343,789	1,278,132
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	108,423	48,341
TOTAL CURRENT LIABILITIES		108,423	48,341
NON-CURRENT LIABILITIES			
Deferred tax liabilities	4	1,795,814	-
TOTAL NON-CURRENT LIABILITIES		1,795,814	-
TOTAL LIABILITIES		1,904,237	48,341
NET ASSETS		13,439,552	1,229,791
EQUITY			
Issued capital	13	9,345,609	7,676,546
Reserves	15	9,714,773	558,429
Accumulated losses		(5,620,830)	(7,005,184)
TOTAL EQUITY		13,439,552	1,229,791



CASH FLOW STATEMENT

for the year ended 30 June 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers and employees		(270,901)	(273,835)
Consultancy fees		18,386	35,944
Interest received		29,604	13,789
Rental income		15,000	14,660
NET CASH FLOWS USED IN OPERATING ACTIVITIES	26	(207,911)	(209,442)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(13,899)	(1,550)
Expenditure on mining interests (exploration)		(404,448)	(147,866)
Purchase of shares – investments		(35,000)	-
Advance to associated company		-	100,304
Tenement security deposits (paid)/recovered		(25,000)	12,500
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(478,347)	(36,612)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,700,000	322,083
Payment of share issue costs		(30,937)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,669,063	322,083
NET INCREASE IN CASH AND CASH EQUIVALENTS		982,805	76,029
Cash and cash equivalents at beginning of period		211,577	135,548
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	1,194,382	211,577

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2007



Attributable to the shareholders of PlatSearch NL					
	Note	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
AT 1 JULY 2005		7,354,463	(6,476,094)	82,168	960,537
Change in interest in associate arising from share issue by associate		-	-	476,261	476,261
Loss for the period		-	(529,090)	-	(529,090)
Total income and expenses for the year recognised directly in equity		-	(529,090)	476,261	(52,829)
Issue of share capital	13	322,083	-	-	322,083
AT 30 JUNE 2006		7,676,546	(7,005,184)	558,429	1,229,791
AT 1 JULY 2006		7,676,546	(7,005,184)	558,429	1,229,791
Change in fair value of investments available for sale (net of tax)	8	-	-	8,896,388	8,896,388
Total income and expenses for the period recognised directly in equity		-	-	8,896,388	8,896,388
Profit/(loss) for the period		-	1,384,354	-	1,384,354
Share issue costs recognised directly in Equity	13	(30,937)	-	-	(30,937)
Total income and expenses for the year recognised directly in equity		(30,937)	1,384,354	8,896,388	11,479,596
Issue of share capital	13	1,700,000	-	-	1,700,000
Share options	14	-	-	259,956	259,956
AT 30 JUNE 2007		9,345,609	(5,620,830)	9,714,773	13,439,552



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. It has been prepared on a historical cost basis.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards ("IFRS").

(c) Application of new standards

As at 30 June 2007, a number of accounting standards have been issued with applicable commencement dates subsequent to the year end. The expected impact of these accounting standards should not materially alter the Company's accounting policies at the date of this report.

(d) Property, plant and equipment

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

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, namely plant and equipment – depreciated over three years (2006 – 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.

(e) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(f) Interest in jointly controlled operations – joint ventures

The Company 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 Company recognises its interest in the jointly controlled operations by recognising the assets that it controls and the liabilities that it incurs. The Company 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.

(g) Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company 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.

(h) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007



Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, being the date that the Company commits to purchase the asset.

Investments accounted for using the equity method

Investments in associates are carried at the lower of the equity-accounted amount and recoverable amount.

(i) Exploration, evaluation, development and restoration costs

Exploration and evaluation

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

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

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

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

Exploration and evaluation - impairment

The Company assesses at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost 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.

(j) Trade and other receivables

Trade receivables, which generally have a 30 day term, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

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.

(k) Cash and cash equivalents

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

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

(l) Trade and other payables and provisions

Trade payables and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

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.

(m) Employee entitlements

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

Liabilities for wages and salaries are recognised and are measured as an amount unpaid at the reporting date at current pay rates in respect of employee's services up to that date. Current employee contracts do

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007



not entitle them to annual leave, sick leave or long service leave. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date.

(ii) *Superannuation*

The Company contributes to defined contribution superannuation funds for its only employee. The cost of these contributions is expensed as incurred.

(n) **Share-based payment transactions**

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

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

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

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

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company'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.

(o) **Leases**

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

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

(p) **Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 the interest accrues.

Royalties

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

(q) Income tax

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

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

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

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

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

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

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

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

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

(r) Other taxes

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007



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

(s) Currency

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

(t) Impairment of assets

The Company 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 Company 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.

(u) 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 14 and 17.

(v) Issued capital

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

(w) Earnings per share

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

- costs of servicing equity;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

- 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.

2. CORPORATE INFORMATION

The financial report of the Company for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the Directors on 28 September 2007.

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

The nature of the operations and principal activities of the Company are described in Note 20.

	2007 \$	2006 \$
3. REVENUE		
Interest received – other persons/corporations	29,604	13,789
Consulting fees	18,386	35,944
Rental income	15,000	14,660
	62,990	64,393

4. INCOME TAX

Prima facie income tax (credit) on operating (loss) at 30%	(191,057)	(153,328)
Future income tax benefit in respect of timing differences – recognised	2,212,266	153,328
Income tax benefit/(expense)	2,021,209	-

No provision for income tax is required in respect of the Company for the year ended 30 June 2007.

The Company has a deferred income tax liability of \$4,016,414 (2006 - \$105,675) largely associated with revaluation of investments classified as available for sale. This liability has been brought to account and offset by a deferred tax asset attributed to available tax losses.

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

No franking credits are available for subsequent years.

5. AUDITORS' REMUNERATION

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

Audit or review of the financial report of the entity	24,000	20,691
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6. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	170,436	49,820
Short-term deposits	1,023,946	161,757
Refer Note 26	1,194,382	211,577

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 Company, and earn interest at the respective short-term deposit rates.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007



	2007 \$	2006 \$
7. RECEIVABLES – CURRENT		
Amount receivable from Western Plains Resources Ltd	1,189	1,189
Other receivables	23,885	8,674
	25,074	9,863

Receivables are non-interest bearing and generally 30 day terms. An allowance for impairment loss is recognised when there is objective evidence that it is impaired. No allowance for impairment loss is required.

8. INVESTMENTS

Investments – available for sale – WPG (b)	13,144,750	-
Investment accounted for using the equity method – WPG (a)	-	592,205
Investments – available for sale – CHZ (c)	167,500	-
	13,312,250	592,205

(a) At 30 June 2006 PlatSearch's investment represented a 24.8% interest in Western Plains Resources Ltd (WPG). At 30 June 2006 the Company's interest in WPG was brought to account as an investment in an equity accounted associate in accordance with Australian Accounting Standard AASB 128 "Accounting for Investments in Associates" as the Directors considered that significant influence existed.

WPG ceased to be an associated company of PlatSearch on 15 September 2006 when WPG carried out a placement of 3,833,000 shares and PlatSearch's interest in WPG was reduced below 20%. The 24.8% share of WPG's net losses for the period 1 July 2006 to 15 September 2006 amounted to \$28,366. Following the issue of shares by WPG to acquire Southern Iron Pty Ltd and further share issues to raise additional funds, the PlatSearch interest in WPG was reduced to 8.8% at 30 June 2007.

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

Interest in Associate Name	Balance Date	Ownership interest held	
		2007 %	2006 %
Western Plains Resources Ltd – ordinary shares	30 June	8.8	24.8
(i) Principal activity WPG is an Australian minerals explorer		2007 \$	2006 \$
(ii) Share of associate's profits/(losses) Share of associate's:			
- net loss before income tax		(28,366)	(103,416)
- income tax expense attributable to net profit		-	-
Share of associate's net profits/(losses)		(28,366)	(103,416)
(iii) Carrying amount of investment			
Balance at the beginning of the financial period		592,205	237,360
- disposal of investment		-	(18,000)
- share of associate's net loss		(28,366)	(103,416)
- change in interest in associate arising from share issue by associate		-	476,261
- purchase of shares in WPG		5,000	-
		568,839	592,205
Fair value uplift		12,575,911	-
		13,144,750	592,205



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

- (iv) The market value on ASX of PlatSearch's 6,375,000 shares in Western Plains Resources Ltd at 30 June 2007 was \$8,351,250 and on 25 September 2007 it was \$8,287,500. PlatSearch holds 3,475,000 options in WPG with an exercise price of 35 cents (expiry date 28 September 2009) and 1,375,000 options in WPG with an exercise price of 25 cents (expiry date 28 September 2009). A valuation of these options has been obtained using the Binomial valuation methodology model and the following assumptions: expected volatility of 98%, risk-free interest rate of 6.375% and an option life of 2.25 years. This results in a fair value uplift of \$4,793,500 at 30 June 2007. PlatSearch's shares and options in WPG were subject to an ASX imposed escrow for two years until 23 August 2007.
- (c) In March 2007 the Company purchased 500,000 shares in Chesser Resources Limited (CHZ) for \$30,000. The market value on ASX of PlatSearch's shares in CHZ at 30 June 2007 was \$167,500 (33.5 cents per share) and on 25 September 2007 was \$157,500 (31.5 cents per share). Of these CHZ shares, 350,000 are subject to an ASX imposed escrow for one year until 3 April 2008. As part of the Wynbring joint venture agreement signed with CHZ on 8 March 2007 PlatSearch acquired 2 million options with an exercise price of 35 cents and an expiry date of 29 May 2011. The value of these options for accounting purposes was nil at 30 June 2007.

9. TENEMENT SECURITY DEPOSITS

	2007 \$	2006 \$
Cash at bank – bank deposits	30,000	40,000
Cash with government mines departments	105,500	70,500
	135,500	110,500

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 21). The bank deposits are interest earning.

10. PLANT AND EQUIPMENT

Plant and equipment – at cost	71,460	57,561
Accumulated depreciation	(59,514)	(55,823)
	11,946	1,738

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

Carrying amount at beginning	1,738	2,576
Additions	13,889	1,550
Disposals	-	-
Depreciation expense	(3,691)	(2,388)
	11,946	1,738

11. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Costs brought forward	352,249	406,046
Costs incurred during the year	457,140	152,496
Expenditure written off during year	(144,752)	(206,293)
Costs carried forward	664,637	352,249

Exploration expenditure costs carried forward are made up of:

Expenditure on joint venture areas	481,542	243,300
Expenditure on non joint venture areas	183,095	108,949
Costs carried forward	664,637	352,249

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007



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.

	2007 \$	2006 \$
12. CURRENT LIABILITIES – PAYABLES		
Trade creditors *	89,941	37,178
Employee entitlements – accrued salaries and superannuation	18,482	11,163
	<u>108,423</u>	<u>48,341</u>

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

13. ISSUED CAPITAL

Share capital

79,101,392 ordinary shares fully paid (2006 – 70,768,059)	8,641,109	7,672,046
450,000 ordinary shares paid to 1 cent with 24 cents unpaid (2006 – 450,000)	4,500	4,500
8,750,000 ordinary shares paid to 8 cents with 4 cents unpaid	700,000	-
	<u>9,345,609</u>	<u>7,676,546</u>

Movements in ordinary share capital	Date	Number of fully paid shares	Issue price	\$
Opening balance previous financial year	30/06/05	66,166,879		7,354,463
Share purchase plan	23/01/06	4,601,180	\$0.07	322,083
Balance at end of previous financial year	30/06/06	70,768,059		7,676,546
Placement of shares paid to 4 cents, 8 cents payable	28/09/06		\$0.04	350,000
Placement	06/02/07	5,000,000	\$0.12	600,000
Less: Transaction costs arising on share issues				(30,937)
Share purchase plan	13/03/07	3,333,333	\$0.12	400,000
Placement of shares paid to 8 cents, 4 cents payable	27/06/07		\$0.04	350,000
Balance at end of current financial year	30/06/07	79,101,392		9,345,609

Shares issued during the year

In September 2006 the Company issued 8,750,000 ordinary shares paid to 4 cents, with 8 cents unpaid. In June 2007 an additional 4 cents was paid on these shares, with 4 cents remaining unpaid. In February 2007 the Company issued 5,000,000 ordinary shares following a placement at 12 cents per share to raise \$600,000. In March 2007 the Company completed a share purchase plan of 3,333,333 ordinary shares at 12 cents to raise \$400,000.

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 of members who hold shares which are paid to one cent, 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



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

PlatSearch Employee Share Option Plan on 25 November 1993. The unpaid portion can be called by the Directors at any time, subject to the rules of the Plan. Option holders have no voting rights until the options are exercised.

Options

There are 6,020,000 options outstanding under the Company's Employee Share Option Plan. There were 3,380,000 options issued in December 2004 which expire on 24 November 2009, exercisable at 25 cents. There were 2,340,000 options issued in December 2006 which expire on 27 November 2011, exercisable at 14 cents. There were 300,000 options issued in June 2007 which expire on 28 May 2012, exercisable at 18 cents. Options expire if not exercised 90 days after a participant resigns from the Company. The Plan is open to employees, consultants, contractors and Directors of PlatSearch.

14. SHARE-BASED PAYMENTS

Options to subscribe for ordinary shares were issued during the current year. In December 2006 eligible directors, officers, employees and contractors were issued with 2,340,000 options with an exercise price of 14 cents and expiry date of 27 November 2011; the options vested on issue. The issue was based on a five day average market share price at the time of issue.

The value of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted determined by using the Black-Scholes option valuation methodology model and the following assumptions: expected volatility of 103.17%, risk-free interest rate of 6.04% and an expected life of 5 years. The estimated fair value of each option at the date of grant was 11 cents per option (total value of 2,340,000 options \$257,400).

In June 2007 the Exploration Manager was issued with 300,000 options with an exercise price of 18 cents and expiry date of 28 May 2012; the options vest on 9 January 2008. The issue was based on a five day average market share price at the time of issue.

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted determined by using the Black-Scholes option valuation methodology model and the following assumptions: expected volatility of 104.79%, risk-free interest rate of 6.38% and an expected life of 5 years. The estimated fair value of each option at the date of grant was 13.5 cents per option (total value of 300,000 options \$40,500). The charge for the current year amounted to \$2,556 and the balance of \$37,944 is charged in the 2007-08 year.

There were 570,000 options which lapsed during the year.

15. RESERVES

	2007 \$	2006 \$
Share-based compensation reserve	342,124	82,168
Investment revaluation reserve	9,372,649	476,261
	<u>9,714,773</u>	<u>558,429</u>

The share-based compensation reserve arises from the valuation of the options issued as referred to in Note 14.

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

16. PROFIT/(LOSS) PER SHARE

Basic profit/(loss) per share (cents per share) 1.8 cents (2006 loss – 0.8 cents).

Diluted profit/(loss) per share (cents per share) 1.7 cents (2006 loss – 0.8 cents).

Weighted average number of ordinary shares on issue used in the calculation of basic and diluted profit/(loss) per share is 75,975,557 (2006 – 68,176,623).

Profit/(loss) used in calculating basic and diluted loss per share	<u>1,384,354</u>	<u>(529,090)</u>
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007



The number of potential ordinary shares that are dilutive and included in determining diluted EPS are 6,020,000 and the diluted profit is \$1,444,350.

Conversion, call, subscription or issue after 30 June 2007: 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.

17. REMUNERATION AND RETIREMENT BENEFITS

(a) Directors' remuneration

The following table outlines the nature and amount of the elements of the remuneration of specified Directors of the Company for the year ended 30 June 2007.

	Salary	Directors Fees	Consulting Fees	Superannuation Contributions	Options	Total
	\$	\$	\$	\$	\$	\$
2007						
R L Richardson	86,368	-	-	70,000	116,600	272,968
R J Soper	-	10,000	-	-	29,700	39,700
R J Waring	-	-	72,105	-	88,000	160,105
	<u>86,368</u>	<u>10,000</u>	<u>72,105</u>	<u>70,000</u>	<u>234,300</u>	<u>472,773</u>
2006						
R L Richardson	114,306	-	-	44,480	-	158,786
R J Soper	-	6,300	-	-	-	6,300
R J Waring	-	-	52,420	-	-	52,420
	<u>114,306</u>	<u>6,300</u>	<u>52,420</u>	<u>44,480</u>	<u>-</u>	<u>217,506</u>

Directors' interests in shares and options in the Company are set out in Note 18.

(b) Key Management Personnel remuneration, shares and options

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

Key management personnel

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

Remuneration report

The remuneration report is included in the Directors' Report.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

18. RELATED PARTY DISCLOSURES

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

Interests and movements in the shares and options of the Company held by Directors and their Director-related entities as at 30 June 2007:

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

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 Employee Share Option Plan, were issued or granted on terms no more favourable than to other shareholders or option holders.

Mr R J Waring is a Director and has a significant financial interest in Warinco Services Pty Limited, a company that provides company secretarial, general commercial and accounting services to the Company. Services provided during the year ended 30 June 2007 amounted to \$111,745 (2006 - \$75,331) and included services provided by Mr R J Waring of \$72,105 (2006 - \$52,420). The \$72,105 (2006 - \$52,420) is included in the remuneration of Directors in Note 17.

During the year the Company provided technical and administrative support services to its 8.8% owned associated company, Western Plains Resources. Services provided amounted to \$29,960 (2006 - \$50,463) and includes consulting, use of office space and office services.

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

19. JOINT VENTURES

The Company is a party to a number of exploration joint venture agreements to explore for copper, gold, zinc, lead and heavy minerals. Under the terms of the agreements the Company will be required to contribute towards the exploration and other costs if it wishes to maintain or increase its percentage holdings. The joint ventures are not separate legal entities. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to PlatSearch at balance date resulting from these joint ventures, other than exploration expenditure costs carried forward as detailed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007



Percentage equity interests in joint ventures at 30 June 2007 were as follows:

	Percentage Interest 2007	Percentage Interest 2006
New South Wales		
<i>Broken Hill - Base Metals and Gold</i>		
Euriowie and Hillston	80%	80%
Hollis Tank – diluting to 39%	80%	80%
Copper King, Yanco Glen, Lindsays Creek and Ziggys	16%	40%
Apollyon Valley, Big Aller and Mt Robe	20%	50%
Stephens-Centennial – diluting to 14.4%	48%	48%
Cymbric Vale – diluting to 20%	50%	50%
Dunmore and Tomingley – diluting to 36%	90%	90%
Thomson Fold Belt – diluting to 49%	100%	100%
Mundi Plains – diluting to 49%	100%	100%
<i>Woodlawn – Base Metals</i>		
Woodlawn South	20%	20%
South Australia – Base Metals and Gold		
Black Hill, Yalata, Toolgerie and Junction Dam	80%	80%
Callabonna – diluting to 30%	100%	100%
Quinyambie – diluting to 15%	50%	50%
Frome and Poverty Lake – diluting to 15%	50%	50%
Coondambo – diluting to 20%	50%	50%
Mulyungarie	80%	80%
Kalabity – diluting to 32%	80%	80%
Wynbring – diluting to 40%	100%	100%
Queensland – Base Metals and Gold		
Lilleyvale – diluting to 40%	100%	100%
Mirikata – diluting to 30%	100%	100%

20. FINANCIAL REPORT BY SEGMENT

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

21. CONTINGENT LIABILITIES

The Company's bankers have provided guarantees totalling \$30,000 (2006 - \$40,000) in respect of mining tenements and the guarantees are secured against short term deposits of these amounts. Additional guarantees of \$105,500 (2006 - \$70,500) in respect of mining tenements is secured against deposits with the NSW Department of Primary Industries and Mineral Resources, the Queensland Department of Mines and the Victorian Department of Energy and Minerals. The Company does not expect to incur any material liability in respect of the guarantees.

22. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability is set out in Note 12 and is calculated in accordance with the accounting policy set out in Note 1. An employee share option plan has been established where selected officers and employees of the Company are issued with options over ordinary shares in PlatSearch NL. The options, issued for nil consideration, are issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX. There are currently six option holders under the plan holding 6,020,000 options, of which 2,640,000 options were issued during the current year, as detailed in Note 13. No options have been exercised up to 30 June 2007 and accordingly, no amount has been received or is due and receivable from holders of options. The option exercise prices are 14 cents, 18 cents and 25 cents and the market value of ordinary PlatSearch NL shares closed at 25 cents on 30 June 2007.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

23. FINANCIAL INSTRUMENTS

Interest rate risk exposure

At balance date, the Company was exposed to a floating weighted average interest rate as follows:

	2007	2006
Weighted average rate of cash balances	4.62%	4.87%
Cash balances	\$170,436	\$49,820
Weighted average rate of money market securities	6.43%	5.81%
Money market securities – bank deposits	\$1,023,946	\$161,757
Weighted average rate of cash at bank – term deposits (non-current assets)	1.34%	2.10%
Cash at bank – term deposits (non-current assets)	\$135,500	\$110,500

Bank negotiable certificates of deposit are normally invested for 30 days and other cash at bank balances are at call. All other financial assets and liabilities are non-interest bearing.

Net fair value of financial assets and liabilities, on balance sheet and credit risk

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Company approximates their carrying value. Credit risk is minimal at balance date.

	2007	2006
	\$	\$

24. COMMITMENTS

Lease commitments

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

Payable not later than one year	19,600	33,600
Payable later than one year and not later than five years	-	19,600
	<u>19,600</u>	<u>53,200</u>

The Company's lease of its office premises is for a three year period expiring on 26 January 2008.

Exploration licence expenditure requirements

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

Payable not later than one year	759,393	545,439
Payable later than one year but not later than two years	402,342	155,542
	<u>1,161,735</u>	<u>700,981</u>

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

25. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2007.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007



	2007 \$	2006 \$
26. CASH FLOW STATEMENT		
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
(a) Operating (loss) after income tax	1,384,354	(529,090)
Depreciation	3,691	2,388
Exploration expenditure written-off	144,752	206,293
Share of associate's net losses	28,366	103,416
Share-based payment - options expensed	259,956	-
Loss on sale of shares in associate	-	18,000
Deferred income tax	(2,021,209)	-
Change in assets and liabilities:		
(Increase)/decrease in receivables	(15,211)	(1,831)
(Decrease)/increase in trade and other creditors	7,390	(8,618)
Net cash outflow from operating activities	<u>(207,911)</u>	<u>(209,442)</u>
 (b) For the purpose of the Cash Flow Statement, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.		
The balance at 30 June 2007 comprised:		
Cash and cash equivalents	170,436	49,820
Money market securities – bank deposits (Note 6)	1,023,946	161,757
Cash on hand	<u>1,194,382</u>	<u>211,577</u>



DIRECTORS' DECLARATION

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

- (1) In the opinion of the Directors:
 - (a) financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2007.

On behalf of the Board

R J Waring
Director

Sydney, 28 September 2007

Independent auditor's report to the members of PlatSearch NL

We have audited the accompanying financial report of PlatSearch NL which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

The company has disclosed information as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard 124 *Related Party Disclosures* ("remuneration disclosures"), under the heading "Remuneration Report" on pages 15 to 16 of the directors' report, as permitted by Corporations Regulation 2M.6.04.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards. The directors are also responsible for the remuneration disclosures contained in the directors' report.

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 and International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures comply with Accounting Standard AASB 124 *Related Party Disclosures*.

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

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

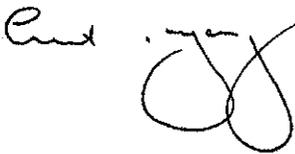
Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. The Auditor's Independence Declaration would have been expressed in the same terms if it had been given to the directors at the date this auditor's report was signed.

Auditor's Opinion

In our opinion:

1. the financial report of PlatSearch NL is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of PlatSearch NL at 30 June 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1
3. the remuneration disclosures that are contained on pages 15 to 16 of the directors' report comply with Accounting Standard AASB 124 *Related Party Disclosures*.



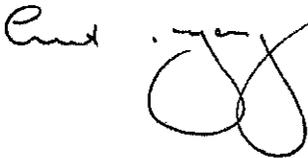
Ernst & Young



Gary Daniels
Partner
Sydney
28 September 2007

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 2007, 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



Gary Daniels
Partner
28 September 2007



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

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

A set of Revised Principles were issued by ASX in August 2007. PlatSearch will be reviewing these in the 2007-08 year with a view to reporting against the eight revised principles in the following year.

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

Principle 1: Lay solid foundations for management and oversight

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

Principle 2: Structure the Board to add value

The Company complies with most of the recommendations within this area as the Chairman is independent; separate from the Managing Director. The Company does not comply with the recommendation that a majority of Directors are independent, because two are Executive Directors. The Company does not have a Board nomination committee.

One of the Company's three Directors is the Non-Executive Chairman of Directors and he has not undertaken "material" 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 does not have a formal code of conduct, again reflecting the Company's size and the close interaction of individuals throughout the organisation.

Principle 4: Safeguard integrity in financial reporting

The Company periodically reviews its procedures to ensure compliance with the recommendations set out under this principle.

Senior management confirms that the financial reports represent a true and fair view and are in accordance with relevant accounting standards. The Managing Director and the Finance Director state in writing to the Board that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company are in accordance with relevant accounting standards.

The Company has an Audit Committee and is reviewing its formal charter and the written charter will be approved by the Board.

The Audit Committee consists of the Non-Executive Chairman of Directors Mr Soper and the Managing Director Mr Richardson. These Directors have applicable expertise and skills for the Audit Committee. This structure does not meet the ASX's guidance regarding independence, in that it should have a majority of independent Directors and have at least three members and the Committee Chairman should not be the Chairman of the Board. The Audit Committee reports to the



Board after each Committee meeting. In conjunction with the full Board, the Committee reviews the performance of the external auditors (including scope and quality of the audit).

Principle 5: Make timely and balanced disclosure

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

Principle 6: Respect the rights of shareholders

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

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

Principle 7: Recognise and manage risk

The Company is a small, exploration company and does not believe that there is significant need for formal policies on risk oversight and management of risk. Risk management arrangements are the responsibility of the Board of Directors and senior management collectively and Risk Factors is a standing agenda item at Board meetings.

Principle 8: Encourage enhanced performance

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

Principle 9: Remunerate fairly and responsibly

Directors believe that the size of the Company makes individual salary and contractor negotiation more appropriate than formal remuneration policies. The Remuneration Committee will seek independent external advice and market comparisons as necessary. In accordance with Corporations Act requirements, the Company discloses the fees or salaries paid to all Directors, plus the five highest paid officers. The Company has an Employee Share Option Plan that was introduced in November 1993.

Principle 10: Recognise the legitimate interests of stakeholders

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

Ethical Standards

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

Securities Trading and Trading Windows

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

SHAREHOLDER INFORMATION



Information relating to shareholders at 21 September 2007 (per ASX Listing Rule 4.10)

Substantial Shareholder

Viking Investments Limited

Shareholding

7,756,676

Distribution of Shareholders

Number of ordinary shares held	Number of Holders	Ordinary Shares
1 – 1,000	310	135,379
1,001 – 5,000	207	561,634
5,001 – 10,000	147	1,203,849
10,001 – 100,000	451	19,762,851
100,001 – and over	150	57,497,679
	1,265	79,161,392

At the prevailing market price of 18 cents per share, there were 429 shareholders with less than a marketable parcel of \$500.

Top 20 Shareholders of Ordinary Shares as at 21 September 2007

	Shares	% Shares issued
Viking Investments Limited	7,756,676	9.80
Mr Chris Carr and Mrs Betsy Carr	3,000,000	3.79
Warman Investments Pty Ltd	2,134,857	2.70
Mr Robert L Richardson and Ms Susanne Brint	1,727,687	2.18
Peninsula Exploration Pty Ltd	1,704,955	2.15
Panstyn Investments Pty Ltd	1,683,097	2.13
Iipseity Pty Limited	1,548,931	1.96
Mr Phillip Clive Hardcastle	1,181,867	1.49
Howard-Smith Investments Pty Ltd	1,116,021	1.41
Mr Arnold Getz and Mrs Ruth Getz	1,015,000	1.28
Mr Michael Anthony Parnell	900,533	1.14
Dr John Campbell Larking	900,000	1.14
Kimbriki Nominees Pty Ltd	800,220	1.01
Font SF Pty Ltd	630,000	0.80
Mr Bruce Samuel Harris Rosenberg	600,000	0.76
Wimtone Pty Limited	600,000	0.76
Mr Rhys Williams	536,750	0.68
Huntley Family Holdings Pty Ltd	528,417	0.67
Technica Pty Ltd	513,097	0.65
Mr Clinton Stuart Wright	500,000	0.63
Total of top 20 holdings	29,378,108	37.13
Other holdings	49,783,284	62.87
Total fully paid shares issued	79,161,392	100.00



Partly paid, unlisted ordinary shares

There are 450,000 ordinary 25 cent shares paid to 1 cent which are not listed on any stock exchange. Holders of these shares are Glenn Elliott Goodacre (200,000), Geonz Associates Limited (200,000) and Maxel Franz Rangott (50,000). The shares were issued under the Platinum Search Share Incentive Plan, which was replaced by the Employee Share Option Plan on 25 November 1993.

Employee Share Option Plan

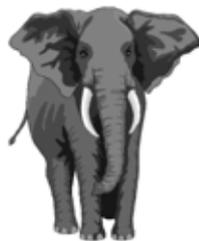
There are 6,020,000 options outstanding under the Company's Employee Share Option Plan. At the Company's Annual General Meeting held on 25 November 1993, shareholders approved the adoption of the Company's Employee Share Option Plan. The Plan has been "refreshed" at a number of Annual General Meetings since then. On 24 November 2004 the Directors resolved to grant 3,680,000 options to eligible persons under the Plan, 300,000 of these options have since expired and 3,380,000 remain on issue. The options are for a period of five years, expire on 24 November 2009 and are exercisable at 25 cents. Holders of the 24 November 2009 options are Robert L Richardson (1,600,000), Robert J Waring (1,150,000), Raymond J Soper (400,000), Wendy L Corbett (200,000) and Robin A Catalano (30,000). On 21 November 2006 the Directors resolved to grant 2,340,000 options to eligible persons under the Plan. The options are for a period of five years, expire on 27 November 2011 and are exercisable at 14 cents. Holders of the 27 November 2011 options are Robert L Richardson (1,060,000), Robert J Waring (800,000), Raymond J Soper (270,000), Wendy L Corbett (150,000) and Robin A Catalano (60,000). On 18 June 2007 the Directors resolved to grant 300,000 options to Peter M Buckley under the Plan. The options which vest on 9 January 2008, are for a period of five years, expire on 28 May 2012 and are exercisable at 18 cents.

Voting rights

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

Audit Committee

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



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

PLATSEARCH NL

ABN 16 003 254 395

DIRECTORS

Raymond J Soper
Bob Richardson
Robert J Waring

SECRETARY

Robert J Waring

REGISTERED AND ADMINISTRATION OFFICE

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St Leonards NSW
PO Box 956, Crows Nest
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E-mail: pts@platsearch.com.au
Website: www.platsearch.com.au

AUDITORS

Ernst & Young

BANKERS

Commonwealth Bank of Australia

SHARE REGISTRY

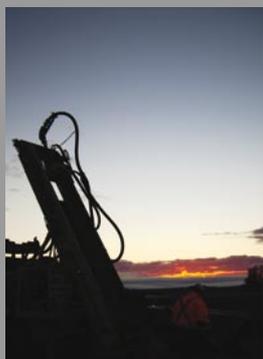
Computershare Investor Services Pty Limited
ABN 48 078 279 277
Level 2, 45 St Georges Terrace, Perth, WA, 6000
GPO Box D182, Perth, WA 6840
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+61 8 9323 2000 (outside Australia)
Facsimile: +61 8 9323 2033

STOCK EXCHANGE LISTING

Listed on Australian Stock Exchange Limited
ASX Code: PTS

SHARE CAPITAL

At 30 June 2006, 70,768,059 fully paid ordinary shares,
450,000 partly paid ordinary shares and 3,950,000 employee
share scheme options.





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