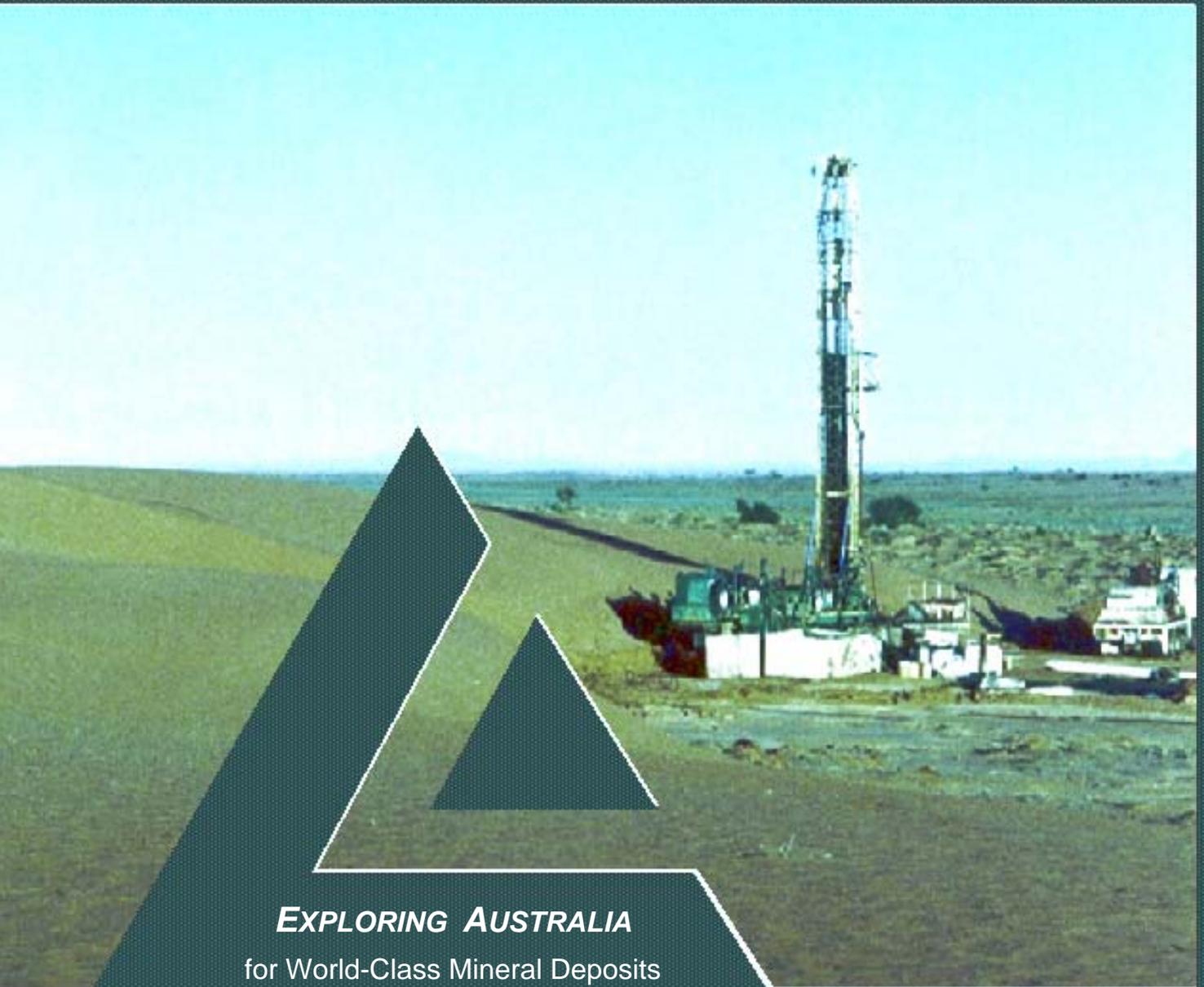




PLATSEARCH NL

ABN 16 003 254 395



EXPLORING AUSTRALIA
for World-Class Mineral Deposits

ANNUAL REPORT
2004

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PLATSEARCH NL

ABN 16 003 254 395

DIRECTORS

Raymond J Soper
Bob Richardson
Richard G Tweedie
Robert J Waring

SECRETARY

Robert J Waring

REGISTERED AND ADMINISTRATION OFFICE

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

SHARE REGISTRY

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

AUDITORS

Ernst & Young

BANKERS

Commonwealth Bank of Australia

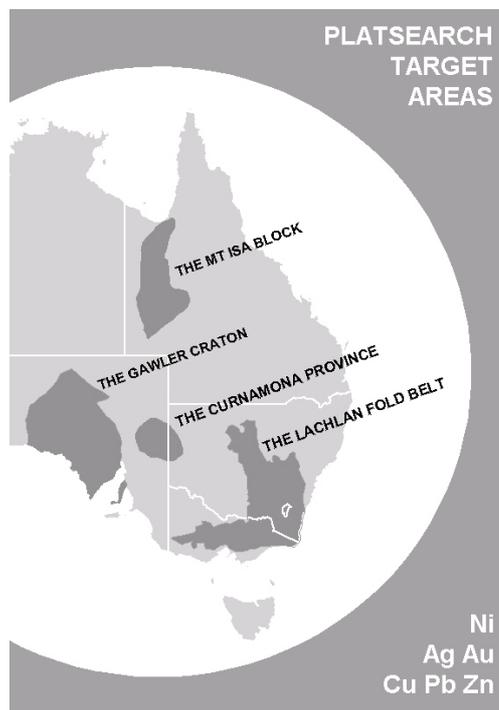
STOCK EXCHANGE LISTING

Listed on Australian Stock Exchange Limited
ASX Code: PTS

SHARE CAPITAL

At 30 June 2004, 59,969,022 fully paid ordinary shares, 450,000 partly paid ordinary shares and 3,460,000 employee share scheme options.

OVERVIEW



PlatSearch has maintained a vigorous campaign of exploration on many fronts targeting nickel, copper, lead, zinc, gold and silver in New South Wales, South Australia and Queensland.

Eight new joint venture agreements were signed during the year. Negotiations are in train regarding agreements to fund exploration on another five tenements and are expected to be resolved in the near future. Given the increasing interest in, and anticipated level of funding on, PlatSearch areas your Company expects the next 12 months to be one of its most active on record.

Highlights through the year were as follows:

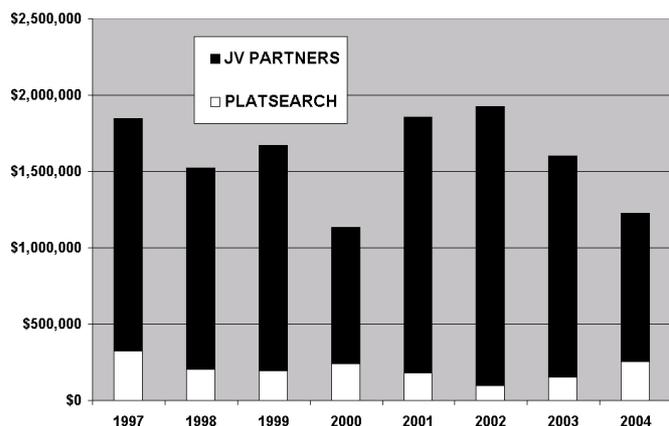
- An agreement was signed with Inco Resources (Australia) Pty Ltd (Inco) in relation to PlatSearch's **Wynbring** project located on the western flanks of the Gawler Craton. Inco will explore this area for sulphide nickel deposits and currently is undertaking an extensive airborne electromagnetic survey.
- Two agreements were signed with Red Metal in relation to PlatSearch's **Callabonna** and **Quinyambie** projects located on the northern margin of the Curnamona Craton. Red Metal has completed extensive gravity surveys over both tenements to identify drilling targets for Olympic Dam style iron-oxide copper-gold deposits. Drilling is scheduled to commence in late 2004.
- Joint venturer Sipa Resources completed 10 Reverse Circulation (RC) drillholes at the **Stephens-Centennial** project. The results from the drilling included some encouraging intersections with 6 metres of 9.5% Zn, 0.7% Pb and 14 g/t Ag from 51 metres downhole in SGC1.
- Following detailed gravity surveys at the **Coondambo** project in the Gawler Craton, Marathon Resources has exercised an option to increase its joint venture interest and is now committed to complete a deep drill hole to test for Olympic Dam style copper-gold mineralisation.
- Two new joint ventures have commenced on the **Hollis Tank** and **Coultra** projects at Broken Hill, NSW. Perilya Broken Hill Limited (Perilya) has farmed into the Coultra and the southern portion of the Hollis Tank licences. Broken Hill Cobalt has farmed into the northern portion of the Hollis Tank licence.
- Western Plains Gold Ltd (WPG) has farmed into the **Euriowie** project and the **K1** project (part of Mulyungarie and Mundi Mundi tenements).
- Negotiations regarding agreements that will provide funding for ongoing work on the **Toolgerie** and **Mulyungarie** projects in SA and the **Mundi Plains, Redan** and **Trundle** projects in NSW are at an advanced stage.

Expenditure on PlatSearch's areas for the 12 months to 30 June 2004 was \$1,226,000, of which \$973,000 was spent by joint venturers.

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

EXPLORATION STRATEGY

PlatSearch's primary targets are large, world-class deposits, principally base metals (copper, lead, zinc and nickel) and precious metals (gold and silver). The Company has continued to build a strong tenement holding with potential for this type of deposit. Attention is focussed on the Curnamona Province (including the Broken Hill Block), the Gawler Craton, the Mt Isa Block and the Lachlan 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. The higher cost activities, particularly 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.

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 partners. PlatSearch continues to attract such support for exploration on its areas. This is a reliable measure of the quality of our areas.

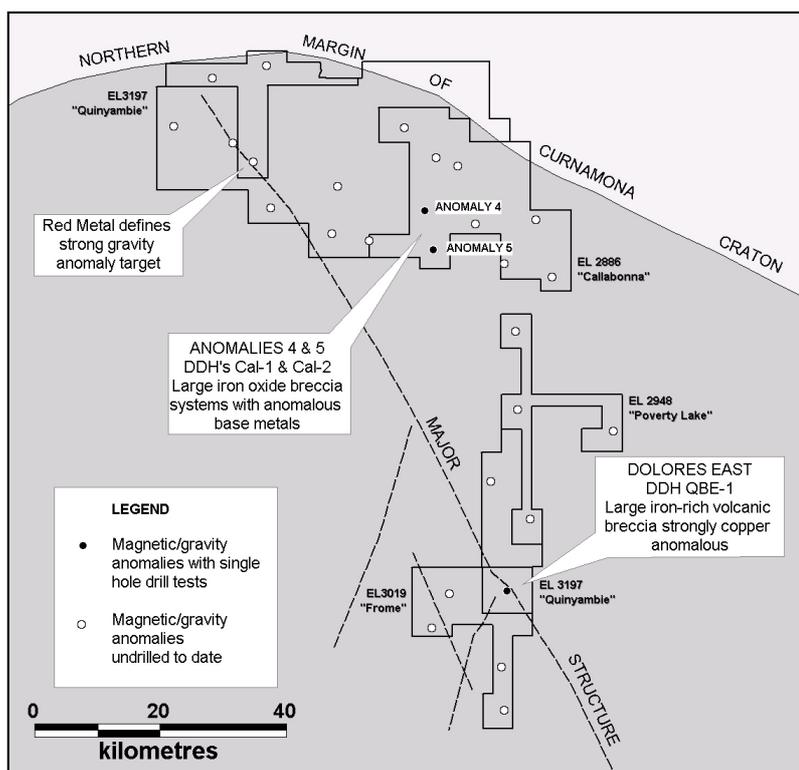
The graph shows the level of exploration funding on the Company's areas by joint venture partners which, over the past eight years, has averaged \$1,392,700 per annum, compared with \$204,900 per annum by PlatSearch. From time to time joint venturers may withdraw from specific projects. However, the 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.

REVIEW OF OPERATIONS



CURNAMONA PROVINCE

The Curnamona Province continues to be a major focus for PlatSearch and attracts increasing interest from other explorers. A recent publication by Primary Industries of South Australia (PIRSA) has emphasised the extensive potential of this province for large copper-gold deposits ("**Curnamona – An Emerging Cu-Au Province**" Burt et al, MESA Journal 33, April 2004) "*The potential for the Curnamona Province for copper and gold, including mineralisation of the iron-oxide-copper-gold (IOCG) type, has been highlighted during the past decade through discovery of prospects such as Portia, North Portia, Kalkaroo and White Dam, and by advances in knowledge of the region's geology.*" Also, PIRSA has announced recently a major initiative to promote exploration in South Australia ("Drilling Partnerships with Industry") whereby PIRSA will fund half the drilling costs of selected projects. This initiative will stimulate interest in the Curnamona Craton and South Australia generally. PIRSA has approved PlatSearch's proposal for such assistance for its Frome project in the northern Curnamona.



Location of PlatSearch tenements in the northern Curnamona Province, SA

PIRSA's report echoes views similar to those expressed in a special NSW Geological Survey report ("**The Potential for Copper-Gold Deposits in the Broken Hill Block**" Anderson and McConachy, January 2002).

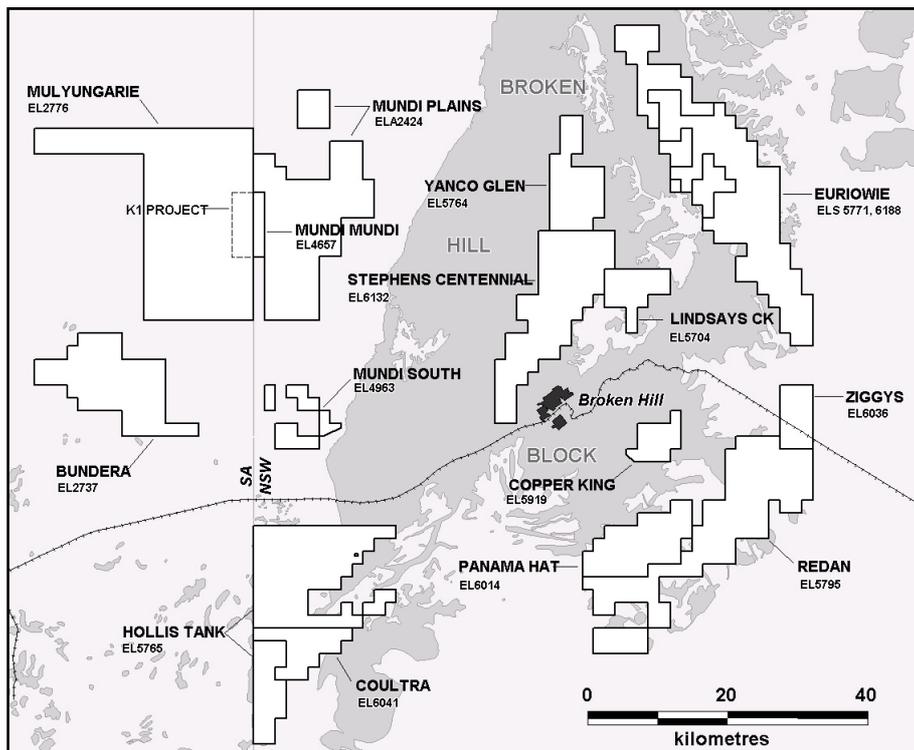
Increasing interest in the province is demonstrated by the commencement of six new joint ventures on PlatSearch projects during the past year.

Following the signing of two agreements with Red Metal in April 2004, extensive gravity surveys covering 2,800 gravity stations were completed over parts of the **Callabonna** and **Quinyambie** tenements in the northern Curnamona Province. Both tenements are considered to be prospective for large iron-oxide copper-gold (IOCG) deposits, of a similar style to the Olympic Dam deposit. The results have highlighted targets for drilling which is scheduled to commence in the December 2004 quarter. Interest in these areas has been prompted by the results of two previous PlatSearch holes CAL-2 (Anomaly 4, Callabonna) and QBE-1 (Dolores East, Quinyambie) that intersected large, strongly altered iron-rich breccia systems with anomalous base metals.

The **Frome** and **Poverty Lake** tenements are adjacent to Quinyambie in the northern Curnamona Province. These tenements cover at least nine magnetic anomalies that could also represent iron-rich breccia style targets. Discussions with a potential joint venture partner are in progress.

At the **Mundi Mundi** and adjacent **Mulyungarie** projects, three rotary/core holes (1,663 metres) were completed during the year. All three holes were designed to intersect the Bimba Formation that has been shown by previous drilling to contain significant zinc mineralisation associated with massive pyrite. Each tenement has potential for stratiform Broken Hill style lead-zinc-silver deposits, stratabound Cloncurry style and IOCG style copper-gold deposits.

Review of Operations (continued)

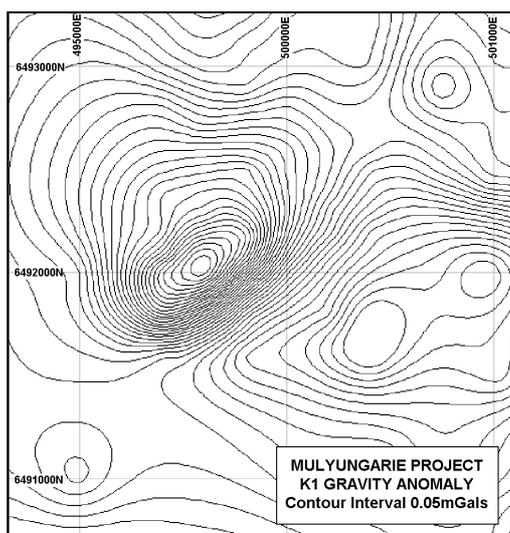


Location of PlatSearch tenements in the Broken Hill region, NSW and SA

The three holes DDH's IN5, IN6 and IN7 were spaced at wide intervals along the mapped strike extent of the Bimba Formation. The best result was obtained in DDH IN7 which encountered similar lead and zinc grades to those encountered by nearby holes IN3 and IN4, typically wide intervals of low grade with occasional narrow intervals of higher grades.

Over the duration of the PlatSearch/Inco joint venture, six deep drillholes were completed within the Mundi Mundi and Mulyungarie areas. These holes, together with those completed previously, confirm the existence of a thick and highly metal anomalous sequence. Based on the drilling results and the available geophysical data, this rock package extends for a strike length of at least 30 kilometres within PlatSearch's tenements.

Every hole drilled into this sequence has intersected strongly anomalous metal values, either wide intersections at low grade such as 54 metres at 1.07% lead plus zinc (DDH IN7) or narrower intersections at higher grades such as 3.8 metres at 9.21% lead plus zinc (DDH IN3). The core from all holes is being carefully reviewed to identify geochemical and mineralogical trends or vectors that may provide guidance for further drilling towards mineralisation of higher grade. Inco withdrew from the Mundi Mundi/Mulyungarie joint venture in January 2004.



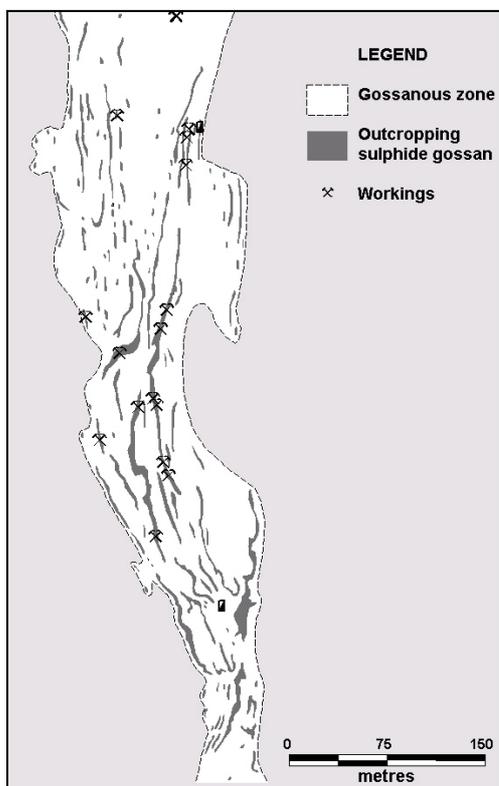
Gravity contour map at the K1 Project, SA

In September 2004 a joint venture agreement was signed with Western Plains Gold regarding the Mundi Mundi tenement and that part of the Mulyungarie tenement embracing the K1 project area. The principal focus for the joint venture will be the K1 magnetic anomaly. This anomaly is by far the strongest in the Broken Hill region measuring up to 7,500 nanoteslas on the ground. Geophysical modelling indicates that the causative body is very large with a strike length in excess of 600 metres and that the ironstone mass could be of the order of 100-150 million tonnes. A previous shallow hole by BHP intersected a quartz-magnetite-hematite lode with anomalous gold (7 metres at 0.14 g/t). During the year PlatSearch has completed detailed ground magnetic and gravity surveys over the K1 anomaly. Both techniques show strong semi-coincident anomalies and the prospect is ready for drill testing. WPG is committed to complete two core holes subject to completing its planned IPO. In September 2004 the Mundi Mundi licence was reduced to five sub-blocks covering the K1 project area on the NSW side of the border. A new licence, Mundi Plains ELA 2424, covering the lead-zinc-silver potential at the Polygonum prospect and the key Thunderdome prospects to the north was applied for.

Review of Operations (continued)



Outcropping gossan at the Son Of Man prospect, Euriovie Project, NSW. Gossan extends for 3.5 kilometres with rock-chip assays up to 3.6% copper and 13 g/t gold



Geological map of Yalcowinna Creek prospect, Euriovie Project, NSW. Wide gossanous zone extends over a 700 metre strike length. Anomalous rock-chip values up to 2.2 g/t gold, 100 g/t silver and 12% copper. No previous drilling

Despite being located only 40 kilometres from the world's largest silver-lead-zinc deposit at Broken Hill, the **Euriovie** area is only lightly explored and contains excellent potential for ironstone-associated copper-gold deposits and Broken Hill style silver-lead-zinc deposits. Previous exploration has been inhibited by the presence of thin but pervasive soil cover over the area. Despite the soil cover there are at least 21 outcropping gossans, many of which carry strongly anomalous base and precious metals values, but which have been largely ignored or tested in a cursory fashion by previous explorers. A joint venture agreement has been signed with WPG whereby it can earn a 60% interest by completing expenditure of \$1 million. Work by PlatSearch during the year has isolated five priority prospects for the WPG/PlatSearch joint venture. Only one of these prospects has had previous drilling. At *Yalcowinna Creek* prospect, there is a 50 metre wide zone of outcropping sulphide

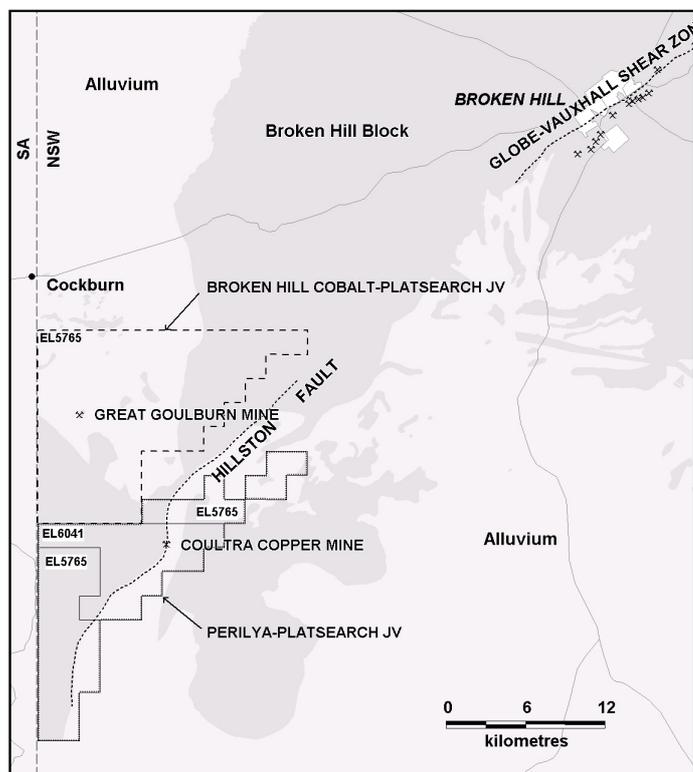
gossans with anomalous copper and gold (up to 12% copper and 2.2 g/t gold) extending over a strike length of at least 700 metres. At *Son of Man* prospect, sulphide gossans carrying up to 3.6% copper and 13 g/t gold outcrop intermittently over a 3.5 kilometre strike length. The *Fairy Hill Mine* prospect shows abundant copper oxide (malachite) in outcropping gneissic rocks exposed in workings. Limited rock-chip sampling shows values up to 37.7% copper and 1 g/t gold. *Smiths Well* prospect contains numerous low outcrops of sulphide gossans and ironstones with anomalous copper and gold scattered over a large, mostly soil covered area. A strong magnetic anomaly in the area represents a possible early drill target. At the *Golden King Mine*, a 10 metre wide mylonitic shear zone extends over a strike length of at least 800 metres and carries significant copper-gold mineralisation. Limited rock-chip sampling shows values up to 44 g/t gold and several percent copper. Two previous drillholes intersected a seven metre wide zone carrying copper mineralisation, neither hole was assayed for gold.

Two new joint venture agreements were signed in September 2004 regarding the **Hollis Tank** project. Perilya is farming in to the southern portion of the tenement and Broken Hill Cobalt the northern portion. Perilya is also farming in to the adjacent **Coultra** tenement. Both tenements cover part of a major structure, the Hillston Fault, along which Perilya will conduct soil and RAB geochemical sampling. Perilya will also undertake sampling at the Coultra Copper Mine where there is a 100 metre wide zone of cupriferous, gossanous quartz lodes extending over a strike length of at least 330 metres. Percussion drilling by a previous explorer (1967) encountered wide zones of low-grade copper mineralisation including 21.3 metres at 0.5% copper. Surface rock-chip sampling gives strong copper values up to 4.9%, however, there has been no assaying for gold at this prospect.

Broken Hill Cobalt will conduct an extensive soil geochemical survey over the northern portion of the Hollis Tank tenement. Previous work here has encountered widespread anomalism in base and precious metals, including significant cobalt values at the Great Goulburn prospect.

Joint venture partner Sipa completed 618 metres in four RC drillholes at the **Copper King** project. Of two holes targeting the Mount Darling Creek Conductor, hole CKC1 intersected one metre of massive pyrite with 0.53% copper and 0.42% cobalt. Two holes targeted the Charlies Schist Zone at the Copper King prospect and intersected secondary copper mineralisation

Review of Operations (continued)



Location map of the Hollis Tank and Coultra tenements showing the joint venture areas with Perilya and Broken Hill Cobalt

averaging 0.19% from 0 to 20 metres in hole CKC3 and 0.17% from 0 to 24 metres in hole CKC4.

At the Native Dog prospect a Falcon™ airborne gravity survey generated an anomaly in an area already identified by the PlatSearch/Sipa joint venture as having excellent potential for Broken Hill Style lead-zinc mineralisation. At this prospect, heavily manganese-stained and garnet-banded rocks, silicification and strongly anomalous gossans and geochemistry extend over a strike length of at least four kilometres and a width of approximately 500 metres. These are the classic indications of Broken Hill Style mineralisation.

The **Stephens-Centennial** tenement is located only 10 kilometres north-west of the Broken Hill Line of Lode and embraces a 30 kilometre strike length of highly prospective Broken Hill Group metasediments, with numerous occurrences of Broken Hill style stratiform lead-zinc-silver mineralisation, where some of the best drill intersections in the Broken Hill Block, outside the main Broken Hill Line of Lode, have been encountered. Most previous drilling is relatively shallow with anomalous intersections open at depth.

Joint venturer Sipa Resources completed ten RC drillholes at the Stephens Trig, Corruga South and Limestone Tip prospects. The results are regarded as very encouraging in the

context of past exploration in the district away from the famous Broken Hill Line of Lode.

Five of Sipa's seven holes at the Stephens Trig prospect intersected significant mineralisation, with the best result being from hole SGC1 with six metres of 9.5% zinc, 0.7% lead and 14 g/t silver from 51 metres downhole.

Three RC holes were also drilled at the Corruga South and Limestone Tip prospects (neither previously RC drilled) 15 kilometres southwest of Stephens Trig. Hole CSC2 at Corruga South intersected two metres of 6.5% zinc, 0.2% lead and 17 g/t silver from 72 metres downhole.

The recent drilling results confirm and extend the significance of Stephens Trig. More recently, Sipa completed 205 RAB drillholes to better define the C-horizon geochemical 'footprint' at Stephens Trig prospect. Further RC percussion drilling is under consideration.

At **Ziggys** project anomalous geochemical results (up to 3,000ppm lead and 2,900ppm zinc) are coincident with a major aeromagnetic structural feature over a strike length of six kilometres. Two inclined percussion holes (282 metres) were completed in late December 2003. The holes were designed to test two locations defined by earlier RAB drilling. Both holes intersected wide zones of weathered gossanous material with anomalous lead, zinc and copper in parts. Weathering was deeper than expected and deeper drilling will be necessary to intersect fresh sulphides, possibly with higher grades. Following Inco's withdrawal in early 2004, PlatSearch is seeking a new joint venture partner to follow up these results.

Several priority targets have been identified in the **Redan** tenement, located on the south eastern margin of the Broken Hill Block. Previous work from 1975-82 concentrated in the northern parts of the Redan tenement where there is more outcrop, although still sparse. This area embraces many prospects defined on the basis of outcropping gossans, strongly anomalous geochemistry in soils and RAB drilling results. Within the RAB drilled areas

Review of Operations (continued)



Massive ironstone outcrops at the Battery Tank-Tors prospect, Redan project, NSW. Rock-chip sampling of outcrop with assays up to 18 g/t gold

there are extensive zones, kilometres in length, with anomalous copper, lead and zinc. Gold was generally not analysed by earlier explorers. In one area previous work, including wide spaced RAB drilling at three prospects Fence Gossan, Chert Ridge and Battery Tank, defines a zone of intermittently outcropping gossans with strongly anomalous copper and gold extending over a nine kilometre strike length. Recent rock-chip sampling by PlatSearch has encountered very high gold values up to 18 g/t at Battery Tank-Tors and several values ranging from 14.0 to 172 g/t at Chert Ridge. PlatSearch is negotiating terms for a proposed agreement with another party that will allow ongoing exploration, including drilling, to be fully funded.

Two core holes DDA8 and DDA9 were completed at the Allendale Mine area in the

Yanco Glen tenement north of Broken Hill. The holes were designed to test possible down-plunge extensions of lodes mined at the old Allendale Mine workings, one of the largest producers in the field outside the Broken Hill Line of Lode. Hole DDA8 intersected 4.4 metres at 5.45% zinc and 0.27% copper. Hole DDA9 intersected 3.2 metres at 2.56% zinc and 0.17% copper. The geology encountered is extremely complex and potential remains for sizeable lode structures. Further south, at Speedwell and Bradie's Tank prospects PlatSearch has defined an extensive soil covered area where previous wide spaced RAB drilling encountered long zones of anomalous base metals. Detailed RAB drilling is required to follow up these results. PlatSearch is seeking a joint venture partner to fund further work.



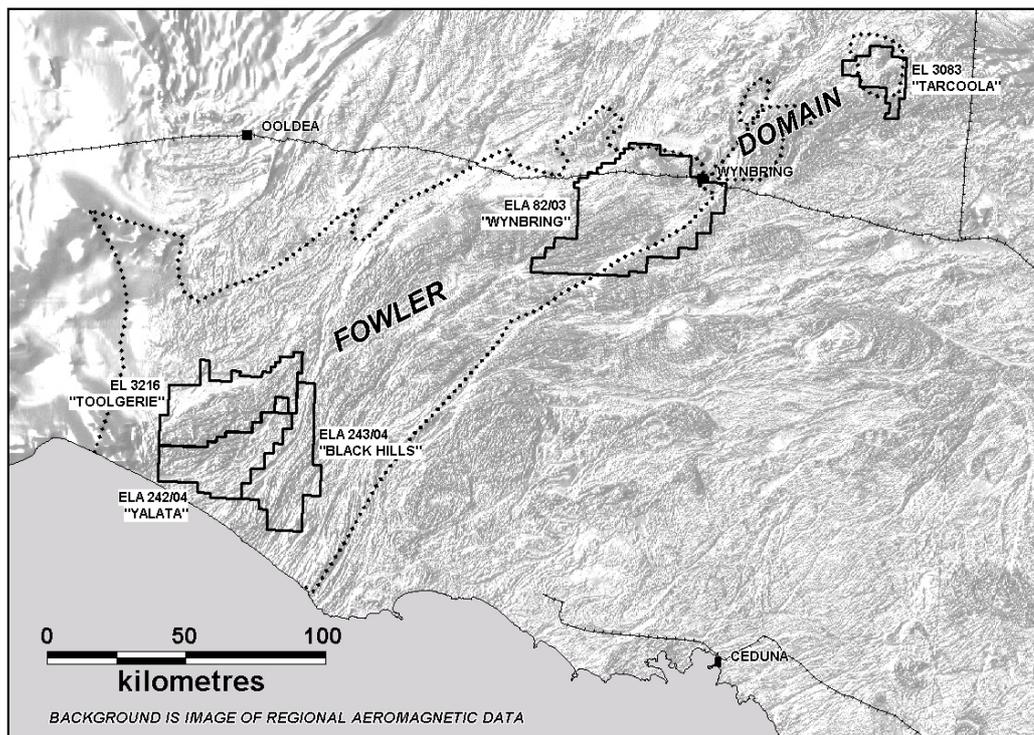
GAWLER CRATON

PlatSearch has acquired further tenements prospective for sulphide nickel deposits in the Fowler Domain located on the western flank of the Gawler Craton. The Fowler Domain is considered to be an analogue of the Thompson Nickel Belt in Canada, host to many important sulphide nickel-copper deposits. PlatSearch's tenement package, covering a combined area of 4,300 square kilometres, includes granted tenements Wynbring and Toolgerie and two adjacent tenement applications Yalata and Black Hills.

Joint venturer Inco is engaged in an extensive detailed airborne electromagnetic survey within the **Wynbring** project tenement. The survey will cover an area of approximately 400 square kilometres and is designed to detect conductive sulphide bodies.

The Wynbring tenement (PlatSearch 100%) covers an area of approximately 2,000 square kilometres located on the western flank of the Gawler Craton in the Fowler Domain. It comprises dense, magnetic, highly deformed, intermediate to ultramafic intrusive rocks overlain by thin Tertiary sands and recent sand dunes. Aeromagnetic surveys show the presence of a high concentration of crustal-scale fractures and faults in this area. These structures could have provided pathways for the intrusion of mafic-ultramafic

Review of Operations (continued)

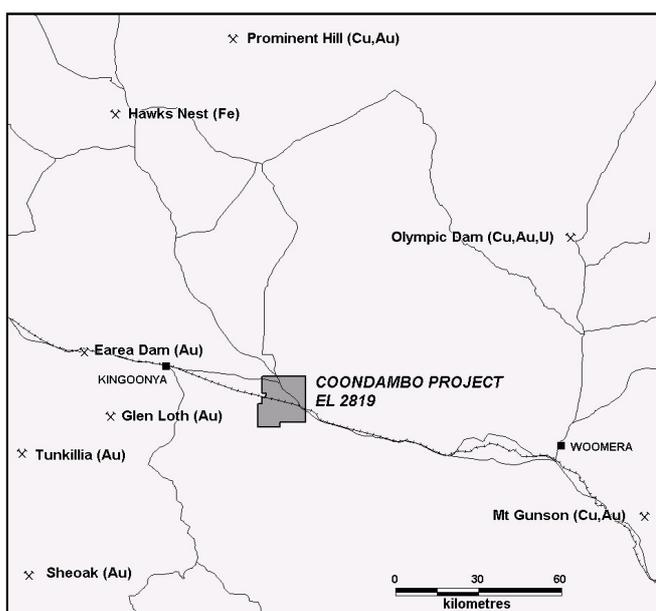


Location of PlatSearch tenements in the Fowler Domain of the Western Gawler Craton, SA. The Fowler Domain is regarded as a possible geological analogue of the famous Thompson Nickel Belt in Canada

bodies with potential for nickel sulphides, chromite and platinoids. Wide-spaced reconnaissance bedrock drilling carried out by PIRSA in 1993 indicated the presence of a 30 kilometre long zone of intermediate to ultramafic rocks adjacent to a major fault and geochemically anomalous in gold, nickel, chromium, platinum and palladium. Most of this zone lies within PlatSearch's tenement. Near the northern margin of this zone, drilling has intersected highly anomalous chromium in two holes with best results of 11 metres at 1.8%, 8 metres at 5.34% and 15 metres at 2%.

The **Toolgerie** tenement, granted in June 2004, is located in the southern part of the Fowler Domain. It covers a very large, layered mafic-ultramafic complex, considered by PlatSearch to be prospective for Sudbury-style nickel sulphide deposits. A joint venture agreement with another party to fund ongoing work is being documented.

Two additional licences, **Yalata** and **Black Hill**, located adjacent to Toolgerie have been applied for to cover the southern extension of major crustal fractures evident in aeromagnetic data. Previous exploration of these areas has been negligible.



Location of PlatSearch's Coondambo tenement, Gawler Craton, SA

The **Tarcoola** tenement is located at the extreme north eastern end of the Fowler Domain. The tenement covers part of the Malbooma Anorthosite Complex, a similar geological environment to the Nain Plutonic Suite in Newfoundland, Canada, which is the setting for the world-class Voisey's Bay nickel deposit. Interpretation of aeromagnetic data in the Tarcoola area shows evidence of possible feeder dykes analogous to the troctolitic dyke that hosts the Voisey's Bay mineralisation. Also, PlatSearch has isolated two magnetic anomalies considered to be possible Olympic Dam style copper-gold targets and completed detailed gravity surveys over each prospect during the year. PlatSearch is in discussion with potential joint venture partners regarding the funding of programmes to follow up these ideas and prospects.

Marathon Resources Limited completed detailed gravity surveys over part of the **Coondambo** tenement, and has exercised an option to increase its interest in the tenement to 80%, by completing further expenditure of \$1 million. Marathon will undertake further gravity and electrical geophysical surveys and must complete a basement drill hole before June 2005. Previous

Review of Operations (continued)

drilling results and geophysical data indicate that this tenement is prospective for iron-oxide associated copper-gold deposits analogous to Prominent Hill and Olympic Dam.



LACHLAN FOLD BELT

The Trundle project area is situated within a regional belt of Ordovician volcanic complexes that occur within the Bogan Gate Synclinorium, a major tectonic belt that is host to several significant gold-copper and gold-porphyry deposits including Northparkes, Cowal, Wyoming and the mined out gold deposits at Peak Hill and Gidginbung. Mineral resources with a combined 258,492 kilograms (8.3 million ounces) of gold have been discovered by modern exploration within this belt since 1977. The prospective rocks that underlie the Trundle project area are known as the Raggatt Volcanics and are considered to be stratigraphic equivalents of the Goonumbla Volcanics that host the large Northparkes porphyry copper-gold deposits located only 20-25 kilometres due east. Interpretation of regional aeromagnetic data suggests that the Raggatt Volcanics may in fact have originally been deposited as part of the Goonumbla Complex and subsequently displaced to the west by a major north-south trending rift that is now occupied by the Devonian Tullamore Syncline.

There are numerous, old, small-scale copper-gold workings within the Raggatt Volcanics. Most of these are associated with skarns that lie adjacent to mafic monzonite-diorite intrusive complexes throughout the project area.

Most of the previous deeper drilling has been wide-spaced and within the immediate contact zones of the intrusive complexes. Many holes have encountered significant intersections of gold and copper mineralisation and some of the better intersections are shown in the accompanying table. Experience at Northparkes has shown that the pipe-like bodies of economic mineralisation are associated with late-stage quartz monzonite porphyries that can be up to several hundred metres removed from the larger mafic intrusions. These situations have not been targeted by previous explorers. Also, the small geochemical "footprint" often associated with this style of mineralisation may not have been identified by previous wide-spaced, air-core and RAB geochemistry.

A detailed regional gravity survey, conducted over the entire Trundle project area by PlatSearch during the year, has delineated additional target areas. PlatSearch is negotiating terms for a proposed agreement with another party that will allow ongoing exploration, including drilling, to be fully funded.

TRUNDLE PROJECT SIGNIFICANT GOLD INTERSECTIONS IN PREVIOUS DRILLING			
PROSPECT	HOLE	METRES	GOLD g/t
Copper Hill	PCH 10	39	0.55
	PCH 11	35	0.56
	PPT 3	9	2.2
	TD 01	151	0.23
	TD 01	60	0.88
Copper Hill East	TR 143	11	1.2
	LDDH 1	6.2	1.9
Botfield	CHEP 1	17	0.67
	TD 28	28	0.35
Dunns	PPT 11	100	0.4
	PPT 8	10	1.99

Review of Operations (continued)



MT ISA BLOCK

A detailed gravity survey was undertaken over one of the **Horse Creek** project tenements during the year. This tenement covers part of a large ironstone system discovered by the adjoining tenement holder during the year. Discussions with potential joint venture partners regarding the large copper and gold bearing ironstone system at the **Lilleyvale** project have continued. The considerable depth of cover (550 metres) represents a major challenge for further exploration, but this factor is offset by the huge size of the system indicated by geophysical data, the existence of further good drilling targets and the potential for high-grade gold-copper and/or Broken Hill Style lead-zinc-silver.

Bob Richardson
Managing Director

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

SUMMARY OF JOINT VENTURES

as at 29 September 2004

Callabonna EL 2886, SA

PlatSearch 100%. Red Metal can earn a 70% interest by spending \$3 million within three years. PlatSearch 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 2819, SA

PlatSearch 50%, Marathon Resources Ltd 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, NSW

PlatSearch 80%, Eaglehawk 20%. Sipa can earn a 51% interest by completing expenditure of \$600,000 within four years and can then increase its interest to 70% by spending a cumulative \$1 million within six years. PlatSearch then can participate at 24%, elect to be free-carried at 10% equity to completion of a bankable feasibility study or convert to a NSR royalty.

Euriowie ELs 5771 and 6188, NSW

PlatSearch 80% and Eaglehawk 20%. Western Plains Gold can earn a 60% interest by spending \$750,000 within four years. 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%, Allender 50%. PlatSearch has a 50% joint venture interest in this EL. In the event of a farm-out to a third party, both parties would dilute in proportion 50:50.

Hillston ELA 2425, Panama Hat EL 6014, Redan EL 5795, Ziggys EL 6036, Lindsays Creek EL 5704 and Yanco Glen EL 5764, NSW; and Bundera EL 2737 and Kalabity EL 2671, SA

PlatSearch 80%, Eaglehawk 20%. PlatSearch has an agreement whereby Eaglehawk has a 20% joint venture interest in these tenements. In the event of a farm-out of a tenement to a third party, both parties would dilute in proportion 80:20.

Hollis Tank EL 5765 and Coultra EL 6041, NSW (Hillston ELA 2425)

PlatSearch 80% and Eaglehawk 20%. Perilya can earn an 80% interest in the Coultra licence and the southern part of the Hollis Tank 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 a NSR interest.

Hollis Tank EL 5765, NSW

PlatSearch 80% and Eaglehawk 20%. Broken Hill Cobalt can earn a 75% interest in the northern part of the tenement by completing expenditure of \$700,000. PlatSearch and Eaglehawk can then each participate with their respective interests of 20% and 5% or convert to a 12% and 3% 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 NSR royalties.

K1 Project, Mulyungarie EL 2776 and Mundi Mundi EL 4657, SA and NSW

PlatSearch 80% and Eaglehawk 20% of EL 2776 and PlatSearch 100% of EL 4657. Western Plains Gold can earn a 60% interest in part of each licence by spending \$750,000 within four years. PlatSearch can then contribute with 32% or reduce to a 16% interest free-carried to completion of a bankable feasibility study on EL 2776. PlatSearch can then contribute with 40% or reduce to a 20% interest free-carried to completion of a bankable feasibility study on EL 4657.

Poverty Lake EL 2948, SA

PlatSearch 50%, Allender 25%, Hosking 25%. PlatSearch has an agreement whereby Allender and Hosking each have a 25% joint venture interest in this EL. In the event of a farm-out of a tenement to a third party, all parties would dilute in proportion 50:25:25.

Summary of Joint Ventures (continued)

Quinyambie EL 3197, SA

PlatSearch 50% and Allender, Kennedy, Aurelius Resources, Telezon Limited, Hosking and Houldsworth (collectively Dolores Syndicate 50%). 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%, Eaglehawk 12%, Triako 40%. Sipa can earn a 51% interest by completing expenditure of \$1,500,000 within four years and can then increase its interest to 70% by spending a cumulative \$2,250,000 within six years. PlatSearch then can participate at 14.4%, elect to be free-carried at 6% equity to completion of a bankable feasibility study or convert to a NSR royalty. Endeavour Minerals has a 1.5% NSR on any discovery in a small area of the licence.

Tarcoola EL 3083, SA

Oxford Resources 100%. PlatSearch and Gunn have an option with Oxford Resources to enter into a joint venture whereby PlatSearch and Gunn can earn a 95% interest (ratio 80:20) by progressing exploration on the tenements through to completion of a final feasibility study.

Toolgerie EL 3216, Black Hill ELA 243/04 and Yalata ELA 242/04, SA

PlatSearch 80%, Bohoun Resources 20%. PlatSearch has an agreement whereby Bohoun has a 20% joint venture interest in these tenements. In the event of a farm-out of a tenement to a third party, both parties would dilute in proportion 80:20.

Trundle EL 4512, NSW

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

Woodlawn South EL 5652, NSW

PlatSearch 20%. Tri Origin earned an 80% interest by spending \$250,000 on exploration. PlatSearch is free carried for the next \$250,000 of exploration spending.

Wynbring EL 3234, SA

PlatSearch 100%. Inco can earn a 60% interest by spending \$2 million within four years from September 2004. PlatSearch can contribute with 40% or reduce to a 20% interest free carried to completion of a bankable feasibility study.

SCHEDULE OF TENEMENTS

as at 29 September 2004

Tenement	Tenement Number	Interest	Joint Venture Details
NEW SOUTH WALES			
Broken Hill			
Mundi Mundi – K1	EL 4657	100%	WPG can earn 60%
Mundi Plains	ELA 2424	100%	-
Mundi South	EL 4963	100%	-
Euriowie	ELs 5771 and 6188	80%	WPG can earn 60% Note 2
Stephens-Centennial	EL 6132	48%	Sipa can earn 70% Note 1
Murray Basin	EL 5512	100%	-
Redan and Ziggys	ELs 5795 and 6036	80%	Note 2
Hollis Tank	EL 5765	80%	Perilya can earn 80% Notes 2 and 6
Coultra	EL 6041	80%	Perilya can earn 80% Note 2
Hillston	ELA 2425	80%	Perilya can earn 80% Note 2
Lindsays Creek and Yanco Glen	ELs 5704 and 5764	80%	Note 2
Copper King	EL 5919	80%	Sipa can earn 70% Note 2
Panama Hat	EL 6014	80%	Note 2
Lachlan Fold Belt			
Woodlawn South	EL 5652	20%	Tri Origin 80%
Trundle	EL 4512	80%	Nosebi 20%
QUEENSLAND			
Horse Creek	EPMs 13303 and 13304	100%	-
Lilleyvale	EPM 12115	100%	-
SOUTH AUSTRALIA			
Rudall	EL 2790	100%	-
Mirikata	EL 2802	100%	-
Callabonna	EL 2886	100%	Red Metal can earn 70%
Tarcoola	EL 3083	0%	PlatSearch can earn 76% Note 4
Kalabity	EL 2671	80%	Note 2
Bundera	EL 2737	80%	Note 2
Mulyungarie – K1	EL 2776	80%	WPG can earn 60% Notes 2 and 5
Quinyambie	EL 3197	50%	Red Metal can earn 70% Note 3
Coondambo	EL 2819	50%	Marathon Resources 50%
Poverty Lake	EL 2948	50%	Allender 25% and Hosking 25%
Frome	EL 3019	50%	Allender 50%
Toolgerie	EL 3216	80%	Bohoun Resources 20%
Jacks Reward	EL 2999	100%	-
Wynbring	EL 3234	100%	Inco can earn 60%
Black Hill and Yalata	ELAs 243/04 and 242/04	80%	Bohoun Resources 20%

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

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

Note 2: PlatSearch has an agreement whereby a geologist has a 20% interest, or has the right to a 20% joint venture interest in these tenements.

Note 3: Dolores Group 50% (Allender, Kennedy, Aurelius Resources, Telezon, Hosking and Houldsworth).

Note 4: When PlatSearch has earned 76%, Gunn holds 19% and Oxford 5%.

Note 5: Western Plains Gold can earn 60% in part of EL 2776.

Note 6: Broken Hill Cobalt can earn 75% in the northern part of EL 5765. Perilya can earn 80% in the southern part of EL 5765.

REPORT OF THE DIRECTORS

Your Directors present the financial report of the Company for the year ended 30 June 2004.

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

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

More than 38 years experience in mining operations, mineral economics, investment management, strategic analysis and merchant banking. He is currently a director of Continental Minerals Corporation Limited, GTN Resources Limited, Huntley Investment Company Limited, Klondike Source Limited, Paradigm Gold Ltd and Buka Minerals Limited.

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

Extensive involvement in exploration management, geophysics and exploration technology for more than 38 years.

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

More than 24 years experience in the mining, oil and gas industry in New Zealand and Australia. He is a director of Todd Petroleum Mining Company Limited, Maui Development Limited, Shell Todd Oil Services Limited, Viking Mining Company Limited, Liquigas Limited and Greymouth Coal Limited.

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

Company Secretary since 1990. He has had 33 years experience in financial and corporate roles including 23 years in the mining industry and prior to that nine years with an international firm of chartered accountants.

Directors' Interests in Shares and Options

Directors' interests in shares and options as at 30 June 2004 are set out in Note 16 to the financial statements. There have been no changes in the Directors' interests in shares and options since that date.

Activities

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

Results

The net result of operations after applicable income tax expense was a loss of \$349,611 which includes the write-off of exploration expenditure incurred in the current and prior years of \$184,157.

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.

Employees

The Company had one employee, R L Richardson, as at 30 June 2004 (2003 - one employee). The Company uses contract geologists and other consultants as required.

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 2004 that have significantly affected or may significantly affect:

- i) the operations of the Company,
- ii) the results of those operations, or
- iii) the state of affairs of the Company,

in the financial years subsequent to 30 June 2004.

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 and base metal exploration and evaluation targets.

Directors' Benefits and Emoluments

During its annual budget review the Board reviews the Directors' Emoluments. Remuneration levels, including participation in the Company's Share Option Scheme, 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 15 and 16 to the accounts) 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.

Report of the Directors (continued)

The emoluments of each Director are as follows:

R J Soper – Director's fee \$6,092.

R L Richardson – salary \$76,820, superannuation \$13,680 and associated company consulting \$57,850.

R G Tweedie – Director's fee \$6,092.

R J Waring – associated company consulting \$57,570

There were no options granted to Directors in the current year. Options granted to Directors in 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 in November 1999 was 11 cents and at the date of grant of options in November 2001 was 14.5 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 2004 by virtue of the exercise of options (2003 – nil).
- ii) As at the end of the financial year, the Company had on issue:

2,645,000 options over unissued shares exercisable by 26 November 2004 at 25 cents per share, 205,000 options over unissued shares exercisable by 23 November 2005 at 25 cents per share and 610,000 options over unissued shares exercisable by 30 November 2006 at 25 cents per share under the Company's Employee Share Option Scheme. Of the 650,000 options which were granted during the year ended 30 June 2002, 40,000 have since expired. All options were vested as at 30 May 2002. The Directors have reviewed the value of these options using the Black and Scholes option valuation methodology. Using this methodology the \$0.25 options are valued at less than \$0.03. Accordingly the total current value of the \$0.25 options granted in November 2001 in the remuneration of Directors, employees and consultants was less than \$20,000 (made up of R L Richardson \$7,500, R J Waring \$7,200, R J Soper \$1,200, R G Tweedie \$1,200 and G E Goodacre \$1,200). No options were granted in or since the end of the 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.

Meetings of Directors

During the year the Company's Directors held four meetings. Messrs R J Soper, R L Richardson and R J Waring were in attendance at all of the meetings and Mr R G Tweedie attended one meeting.

Non-Executive Directors, Messrs R J Soper and R G Tweedie 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. Mr R J Soper 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.

Signed at Sydney this 29th day of September 2004 in accordance with a resolution of the Directors.

R L RICHARDSON
Managing Director

STATEMENT OF FINANCIAL PERFORMANCE

year ended 30 June 2004

	Note	2004	2003
		\$	\$
REVENUE FROM ORDINARY ACTIVITIES	2	64,141	130,775
Salaries and employee benefits expense		(13,671)	(14,766)
Depreciation expense		(2,256)	(1,624)
Directors' fees		(12,184)	(14,500)
Exploration expenditure written-off		(184,157)	(249,229)
Operating lease rental expense		(37,649)	(37,917)
Auditors' remuneration		(12,682)	(13,370)
ASX and ASIC fees		(12,811)	(12,266)
Share registry costs		(12,132)	(13,082)
Contract administration services		(86,308)	(81,948)
Other expenses from ordinary activities		(39,902)	(39,199)
(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		(349,611)	(347,126)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES	3	-	-
(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE	13	(349,611)	(347,126)
NET (LOSS) ATTRIBUTABLE TO MEMBERS OF PLATSEARCH NL		(349,611)	(347,126)
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS ATTRIBUTABLE TO MEMBERS OF PLATSEARCH NL AND RECOGNISED DIRECTLY IN EQUITY		-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS ATTRIBUTABLE TO MEMBERS OF PLATSEARCH NL		\$(349,611)	\$(347,126)
Basic loss per share (cents per share)	14	0.6	0.6
Diluted loss per share (cents per share)	14	0.6	0.6

STATEMENT OF FINANCIAL POSITION

at 30 June 2004

	Note	2004	2003
		\$	\$
CURRENT ASSETS			
Cash assets		8,217	59,745
Receivables	5	8,410	7,564
Other financial assets	6	400,000	665,507
TOTAL CURRENT ASSETS		416,627	732,816
NON-CURRENT ASSETS			
Tenement security deposits	7	158,000	125,500
Plant and equipment	8	2,986	2,267
Deferred exploration and evaluation expenditure	9	369,558	318,384
TOTAL NON-CURRENT ASSETS		530,544	446,151
TOTAL ASSETS		947,171	1,178,967
CURRENT LIABILITIES			
Payables	10	51,568	243,071
Other	11	21,597	293,023
TOTAL CURRENT LIABILITIES		73,165	536,094
TOTAL LIABILITIES		73,165	536,094
NET ASSETS		\$874,006	\$642,873
EQUITY			
Contributed equity	12	6,893,783	6,313,039
Accumulated losses	13	(6,019,777)	(5,670,166)
TOTAL EQUITY		\$874,006	\$642,873

STATEMENT OF CASH FLOWS

year ended 30 June 2004

	Note	2004	2003
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers and employees		(225,898)	(229,037)
Exploration joint venture fees received		33,579	96,545
Interest received		30,562	34,229
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	24	(161,757)	(98,263)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(2,975)	(1,724)
Joint venture cash calls received		134,900	1,071,000
Exploration on behalf of joint venturers		(612,707)	(1,013,327)
Expenditure on mining interests (exploration)		(222,740)	(137,591)
Tenement security deposits		(32,500)	(38,000)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(736,022)	(119,642)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		580,744	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		580,744	-
Net increase in cash held		(317,035)	(217,905)
Add opening cash brought forward		725,252	943,157
CLOSING CASH CARRIED FORWARD	24	\$408,217	\$725,252

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

Future funding

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

Exploration and evaluation – costs carried forward

Costs carried forward

Costs incurred during exploration and evaluation activities related to an area of interest are accumulated. Costs are carried forward provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not at balance date reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made.

Amortisation

Upon successful development of a mining project, accumulated costs will be amortised over the life of the areas of interest to which such costs related on a production output basis.

Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

Joint venture operations

Interests in joint ventures are brought to account by including in the respective classifications, the share of individual assets employed, and liabilities and expenses incurred.

Income tax

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between the time items are recognised in the accounts and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Earnings per share/Loss per share

Basic EPS is calculated as net profit or net loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit or net loss attributable to members, adjusted for:

- (a) cost of servicing equity (other than dividends) and preference share dividends;
- (b) the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

Notes to and Forming Part of the Accounts (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- (c) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

dividend by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Leases

Operating lease payments, where the lessor effectively retains substantially all of the risks and benefits of ownership of the lease items, are included in the determination of the operating profit in equal instalments over the lease term.

Plant and equipment

Plant and equipment are included at cost. Depreciation is provided on a straight line basis on all plant and equipment at rates calculated to write off the cost, less estimated residual value at the end of the useful lives of the assets, over those estimated useful lives. The major depreciation period for plant and equipment is three years; mainly computer equipment (2003 – 3 years).

Recoverable amount

Non-current assets are not revalued to an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Interest is recognised when the control of a right to receive is attained.

Employee entitlements

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 not entitle them to annual leave and long service leave. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date. The value of the Employee Share Option Scheme is not being charged as an employee entitlement expense.

Money market securities and term deposits

Money market securities and term deposits are stated at the lower of cost and net realisable value. Money market bank accepted bills are generally taken out for 30 days and have an effective interest rate of 5.32% (2003 – 4.59%). Money market securities are at 24 hour call and have an effective interest rate of 5.05% (2003 – 4.55%).

Trade creditors

Liabilities to trade creditors are recognised for amounts to be paid in the future for goods and services received, whether billed or not billed to the Company. Trade creditor liabilities are carried at cost and are normally settled on 30 day terms.

Ordinary shares

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Details of shares issued and the terms and conditions of options outstanding over ordinary shares at balance date are set out in Note 12.

Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Notes to and Forming Part of the Accounts (continued)

	2004 \$	2003 \$
2. REVENUE FROM ORDINARY ACTIVITIES		
Interest received – other persons/corporations	30,562	34,229
Joint venture operator's fee	33,579	96,546
	\$64,141	\$130,775
3. INCOME TAX		
Prima facie income tax (credit) on operating (loss) at 30%	(104,883)	(104,138)
Future income tax benefit in respect of timing differences – not recognised	104,883	104,138
Income tax expense	-	-
<p>No provision for income tax is considered necessary in respect of the Company for the year ended 30 June 2004.</p> <p>No recognition has been given to any future income tax benefit which may arise from operating losses not claimed for tax purposes. The Company has estimated its losses not claimed of \$6,077,000 (2003 - \$5,676,000). These amounts have not been brought to account in calculating any future tax benefit.</p> <p>A benefit of 30% of approximately \$1,823,100 (2003 - \$1,702,800) will only be obtained if:</p> <ul style="list-style-type: none"> The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, The Company continues to comply with the conditions for deductibility imposed by the law, and No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses. <p>No franking credits are available for subsequent years.</p>		
4. AUDITORS' REMUNERATION		
Total amounts receivable by the current auditors of the Company for:		
Audit of the Company's accounts	12,682	13,370
Other services - taxation	-	-
	\$12,682	\$13,370
5. RECEIVABLES - CURRENT		
Other receivables	\$8,410	\$7,564
6. OTHER FINANCIAL ASSETS		
Money market securities - bank deposits	\$400,000	\$665,507

Notes to and Forming Part of the Accounts (continued)

	2004 \$	2003 \$
7. TENEMENT SECURITY DEPOSITS		
Cash at bank – term deposits	150,000	120,000
Cash with government mines department	8,000	5,500
	158,000	125,500

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 19).

8. PLANT AND EQUIPMENT

Plant and equipment – at cost	53,598	50,623
Accumulated depreciation	(50,612)	(48,356)
	2,986	2,267

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	2,267	2,167
Additions	2,975	1,724
Disposals	-	-
Depreciation expense	(2,256)	(1,624)
	2,986	2,267

9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Costs brought forward	318,384	420,244
Costs incurred during the year	235,331	147,369
Expenditure written off during year	(184,157)	(249,229)
Costs carried forward	369,558	318,384

Exploration expenditure costs carried forward are made up of:

Expenditure on joint venture areas	109,316	186,532
Expenditure on non joint venture areas	260,242	131,852
Costs carried forward	369,558	318,384

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 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.

10. CURRENT LIABILITIES – PAYABLES

Trade creditors	42,292	239,588
Employee entitlements – accrued salaries and superannuation	9,276	3,483
	51,568	243,071

Notes to and Forming Part of the Accounts (continued)

	2004	2003
	\$	\$
11. CURRENT LIABILITIES – OTHER	\$21,597	\$293,023

PlatSearch has an option Joint Venture Agreement with Inco Limited to explore a PlatSearch mineral tenement located in South Australia. The agreement provides for the funding by Inco of a substantial work programme to explore for nickel deposits on PlatSearch's project area. During the year to 30 June 2004 cash calls of funds amounting to \$134,900 had been received from Inco to finance agreed work programmes under this agreement and other agreements which terminated prior to 30 June 2004. At 30 June 2004 the balance of the cash calls less amounts expended or accrued on exploration was \$21,597.

12. CONTRIBUTED EQUITY

Share capital

59,969,022 ordinary shares fully paid (2003 – 54,689,531)	6,889,283	6,308,539
450,000 ordinary shares paid to one cent with 24 cents unpaid (2003 – 450,000)	4,500	4,500
	\$6,893,783	\$6,313,039

Movements in ordinary share capital	Date	Number of shares	Issue price	\$
Opening balance at end of previous financial year	30-06-02	54,689,531		\$6,313,039
Movement during the previous financial year	-	-		-
Balance at end of previous financial year	30-06-03	54,689,531		\$6,313,039
Shareholder Share Purchase Scheme	19-01-04	5,279,491	\$0.11	580,744
Balance at end of current financial year	30-06-04	59,969,022		\$6,893,783

Shares issued during the year

In January 2003 the Company finalised an issue under its Shareholder Share Purchase Scheme of 5,279,491 at 11 cents to raise \$580,744. The funds were raised to fund exploration, project generation and administration.

Terms and conditions of contributed equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. In respect to members who hold shares which are paid to 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 Employee Share Option Scheme 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.

Notes to and Forming Part of the Accounts (continued)

12. CONTRIBUTED EQUITY (continued)

Options

There are 3,460,000 options outstanding under the Company's Employee Share Option Scheme. There are 2,645,000 options which expire on 26 November 2004, which are exercisable at 25 cents, 205,000 options which expire on 23 November 2005, which are exercisable at 25 cents and there are 610,000 options which expire on 30 November 2006, which are exercisable at 25 cents. There were no options issued during the current year or during the previous year.

	2004 \$	2003 \$
13. ACCUMULATED LOSSES		
Balance at the beginning of year	5,670,166	5,323,040
Operating loss after income tax expense	349,611	347,126
Balance at the end of year	<u>\$6,019,777</u>	<u>\$5,670,166</u>

14. LOSS PER SHARE

Basic loss per share (cents per share) 0.6 cents (2003 – 0.6 cents).

Diluted loss per share (cents per share) 0.6 cents (2003 – 0.6 cents).

Weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share is 57,079,686 (2003 – 54,707,531).

Loss used in calculating basic and diluted loss per share	<u>\$349,611</u>	<u>\$347,126</u>
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The number of potential ordinary shares that are not dilutive and not included in determining diluted EPS are 3,460,000.

Conversion, call, subscription or issue after 30 June 2004:

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.

15. 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 2004.

	Salary	Directors Fees	Consulting Fees	Superannuation Contributions	Options	Total
2004	\$	\$	\$	\$	\$	\$
R L Richardson	76,820	-	57,850	13,680	-	148,350
R J Soper	-	6,092	-	-	-	6,092
R G Tweedie	-	6,092	-	-	-	6,092
R J Waring	-	-	57,570	-	-	57,570
	<u>\$76,820</u>	<u>\$12,184</u>	<u>\$115,420</u>	<u>\$13,680</u>	<u>-</u>	<u>\$218,104</u>

Directors' interests in shares and options in the Company are set out in Note 16.

(b) Executive Officers' remuneration, shares and options

Other than Directors, there are no other officers who satisfy the definition of "Executive Officers" who are or were involved in, concerned with, or who take part in, the management of the affairs of PlatSearch and/or related bodies corporate.

Notes to and Forming Part of the Accounts (continued)

16. RELATED PARTY DISCLOSURES

The Directors in office during the year were R L Richardson, R J Soper, R G Tweedie 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 2004:

	R L Richardson	R J Soper	R G Tweedie	R J Waring	Total
Fully Paid Ordinary Shares					
at 30 June 2003	1,449,324	1,612,501	67,000	411,250	3,540,075
at 30 June 2004	1,514,324	1,612,501	67,000	416,295	3,610,120
Employee Share Option Scheme 2004 Options					
at 30 June 2003	1,200,000	250,000	250,000	800,000	2,500,000
at 30 June 2004	1,200,000	250,000	250,000	800,000	2,500,000
2006 Options					
at 30 June 2003	250,000	40,000	40,000	240,000	570,000
at 30 June 2004	250,000	40,000	40,000	240,000	570,000

Mr Tweedie is a Director of Viking Investments Limited, a company in the Todd Corporation group, which had a relevant interest in 9,610,557 shares at 30 June 2004 (2003 – 9,610,557) in PlatSearch NL.

No options were granted to Directors during the current year. Options held under the Scheme may be exercised on the expiration of six months from the date the option is granted. Shares and options held by Directors included 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 under Employee Share Option Scheme, were issued or granted on terms no more favourable than to other shareholders or option holders.

Mr R L Richardson is a Director of and has a significant financial interest in Richardson Geophysics Pty Ltd, a company that provided technical services to the Company until April 2004. Services provided during the year ended 30 June 2004, which are included in the remuneration of Directors in Note 15, amounted to \$57,850 (2003 - \$93,580). 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 2004 amounted to \$86,308 (2003 - \$81,948) and included services provided by Mr R J Waring of \$57,570 (2003 - \$54,924). The \$57,570 (2003 - \$54,924) is included in the remuneration of Directors in Note 15.

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.

17. 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 9.

Notes to and Forming Part of the Accounts (continued)

17. JOINT VENTURES (continued)

Percentage equity interests in joint ventures at 30 June 2004 were as follows:

	Percentage Interest 2004	Percentage Interest 2003
New South Wales		
<i>Broken Hill - Base Metals, Gold and Mineral Sands</i>		
Coultra, Euriovie, Redan, Hollis Tank, Trundle, Yanco Glen, Ziggys, Lindsays Creek and Panama Hat	80%	80%
Stephens-Centennial – diluting to 14.4%	48%	48%
Copper King – diluting to 24%	80%	80%
<i>Woodlawn – Base Metals</i>		
Woodlawn South	20%	20%
South Australia – Base Metals and Gold		
Tarcoola – PlatSearch can earn 76%, and then dilute to 16%	0%	0%
Kalabity and Toolgerie	80%	80%
Callabonna – diluting to 30%	100%	100%
Quinyambie – diluting to 15%	50%	50%
Frome and Poverty Lake	50%	50%
Coondambo – diluting to 40%	50%	50%
Bundera and Mulyungarie	80%	80%
Wynbring – diluting to 40%	100%	100%

18. FINANCIAL REPORT BY SEGMENT

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

19. CONTINGENT LIABILITIES

The Company's bankers have provided guarantees totalling \$150,000 (2003 - \$120,000) in respect of mining tenements and the guarantees are secured against short term deposits of these amounts. Additional guarantees of \$8,000 (2003 - \$5,500) in respect of mining tenements is secured against deposits with 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.

20. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability is set out in Note 10 and is calculated in accordance with the accounting policy set out in Note 1. An employee share option scheme 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 seven option holders under the scheme holding 3,460,000 options, of which no options were issued during the current or previous year, as detailed in Note 12. No options have been exercised up to 30 June 2004 and accordingly, no amount has been received or is due and receivable from holders of options. The option exercise price is 25 cents and the market value of ordinary PlatSearch NL shares closed at 7.5 cents on 30 June 2004.

Notes to and Forming Part of the Accounts (continued)

21. FINANCIAL INSTRUMENTS

Interest rate risk exposure

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

	2004	2003
Weighted average rate of cash balances	1.08%	2.09%
Cash balances	\$8,217	\$59,745
Weighted average rate of money market securities	5.32%	4.62%
Money market securities	\$400,000	\$665,507
Weighted average rate of cash at bank – term deposits	5.05%	4.24%
Cash at bank – term deposits	\$158,000	\$125,000

Bank negotiable certificates of deposit are normally invested for 30 days and cash at bank. 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.

2004	2003
\$	\$

22. 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	21,613	37,839
Payable later than one year and not later than five years	-	18,920
	<u>\$21,613</u>	<u>\$56,759</u>

The Company's lease of its office premises is for a three year period expiring on 26 January 2005.

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	1,736,478	867,142
Payable later than one year but not later than two years	170,762	245,679
	<u>\$1,907,240</u>	<u>\$1,112,821</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.

23. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2004.

Notes to and Forming Part of the Accounts (continued)

	2004	2003
	\$	\$
24. STATEMENT OF CASH FLOWS		
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
(a) Operating (loss) after income tax	(349,611)	(347,126)
Depreciation	2,256	1,624
Exploration expenditure written-off	184,157	249,229
Change in assets and liabilities:		
(Increase)/decrease in receivables	(846)	1,361
(Decrease)/increase in trade and other creditors	2,287	(3,351)
Net cash outflow from operating activities	<u>\$(161,757)</u>	<u>\$(98,263)</u>
(b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.		
The balance at 30 June 2004 comprised:		
Cash assets	8,217	59,745
Money market securities – bank deposits (Note 6)	400,000	665,507
Cash on hand	<u>\$408,217</u>	<u>\$725,252</u>

25. IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS

For reporting periods beginning on or after 1 January 2005, PlatSearch (the Company) must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and IFRS identified to date as potentially having a significant effect on the economic entity's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The Company has not quantified the effects of the differences discussed below. Accordingly, there can be no assurances that the Company's financial performance and financial position as disclosed in this financial report would not be significantly different if determined in accordance with IFRS.

The key potential implications of the conversion to IFRS on the Company are as follows:

- The impacts of changes from the existing AASB 1022 "Accounting for the Extractive Industries" are not yet determinable due to the lateness of the International Accounting Standard Board's (IASB) "grandfathering" project with an IFRS on the topic not expected until the fourth quarter of 2004. The application of the current stable platform of standards would result in a complete write-off of exploration and evaluation expenditure.

Under the current proposal, issued by the IASB in their ED 6, on first time adoption of IFRS an impairment test will be required. Under that proposal the Company must be able to demonstrate future cash flows sufficient to satisfy the carry forward on non current assets. Where such cash flows are currently indeterminable, the Company would be required to record a writedown of capitalised expenditure. The Company is not yet in a position to determine whether it will early adopt this yet to be released standard.

- Income tax will be calculated based on the "balance sheet" approach, which could at some stage result in more deferred tax assets and liabilities and, as tax effects follow the underlying transaction, some tax effects will be recognised in equity. The effects for the Company are not expected to be significant.

Notes to and Forming Part of the Accounts (continued)

25. IMPACT OF ADOPTING AASB EQUIVALENTS TO IASB STANDARDS (continued)

- Equity-based compensation in the form of shares and options will be recognised as expenses in the periods during which the employee provides related services. The Company issues equity based compensation to employees and contractors. All options which have been issued in the past vested on or prior to 30 May 2002 and hence will have no impact on results reported under IRFS.
- Changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects.

The Company has continually assessed the impact of IFRS however as a small company its breadth of accounting treatments are not great. It has therefore not been able to fully assess the impact through monitoring of developments and assessment of those changes on its accounting policies and its financial accounts.

DIRECTORS' DECLARATION

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

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 2004 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.

On behalf of the Board

R L Richardson
Director

Sydney, 29 September 2004

INDEPENDENT AUDIT REPORT

To members of PlatSearch NL

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for PlatSearch NL (the company), for the year ended 30 June 2004.

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

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

Independence

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

Audit Opinion

In our opinion, the financial report of PlatSearch NL is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of PlatSearch NL at 30 June 2004 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.

*Independent Audit Report (continued)***Inherent Uncertainty Regarding Continuation of Going Concern**

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1 to the financial statements, there is significant uncertainty whether the company will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Ernst & Young

Michael Elliott
Partner

Sydney
30 September 2004

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of PlatSearch NL is responsible for corporate governance and strives for high standards in this regard. The Board monitors the business and affairs of PlatSearch on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board draws on relevant best practice principles particularly those issued by the ASX Corporate Governance Council in 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 Stock 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 determined 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.

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 four Directors (two Non-Executive Directors 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.

Two of the Company's four Directors are non-executives, and none of the non-executives have 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 is reviewing 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 two Non-Executive Directors, Messrs Soper and Tweedie. These directors have applicable expertise and skills for this Committee. This structure does not meet the ASX's guidance regarding independence, in that it should have a majority of independent directors (Mr Tweedie represents a substantial shareholder) and have at least three members. 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).

Corporate Governance Statement (continued)

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 Group'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.

Principle 8: Encourage enhanced performance

The Company has a Remuneration Committee of Messrs Soper and Tweedie 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

Due to the Company's size and relative level of operational activity which makes legal compliance a less onerous task than with larger companies, the Company does not have 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 shares of the Company. Purchases or sales in the Company's shares by Directors, employees and key consultants may not be carried out other than in the "window", being the period commencing two days and ending 30 days following the date of announcement of the Company's annual or half yearly results or a major 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 17 September 2004 (per ASX Listing Rule 4.10)

Substantial Shareholder	Shareholding
Viking Investments Limited	8,373,201

Distribution of Shareholders

Number of ordinary shares held	Number of Holders	Ordinary Shares
1 – 1,000	321	142,119
1,001 – 5,000	224	595,181
5,001 – 10,000	147	1,202,251
10,000 – 100,000	395	16,579,503
100,001 – and over	109	41,449,968
	1,196	59,969,022

At the prevailing market price of 7.0 cents per share, there were 604 shareholders with less than a marketable parcel of \$500.

Top 20 Shareholders of Ordinary Shares as at 17 September 2004

	Shares	% Shares issued
Viking Investments Limited	8,373,201	13.96
Warman Investments Pty Ltd	1,800,000	3.00
Mr Chris Carr and Mrs Betsy Carr	1,739,421	2.90
Mr Robert L Richardson and Ms Susanne Brint <The Rathroam Staff Fund >	1,514,324	2.53
Ipseity Pty Limited	1,437,501	2.40
Howard-Smith Investments Pty Ltd	1,086,021	1.81
Mr Phillip Clive Hardcastle	997,200	1.66
Panstyn Investments Pty Ltd	945,000	1.58
Mr Michael Anthony Parnell	750,000	1.25
Mr Barry John Wishart <The Wishart Family A/C>	714,100	1.19
Huntley Family Holdings Pty Ltd <Superfund A/C>	678,417	1.13
Wimtone Pty Ltd	600,000	1.00
Mr Gordon Clifford Henley and Mrs Shirley Margaret Henley	531,667	0.89
Mr Clinton Stuart Wright	510,500	0.85
Elderbell Holdings Pty Ltd	500,000	0.83
Mr Arnold Getz and Mrs Ruth Getz <Super Fund A/C>	450,000	0.75
Mr Peter Fabian Hellings	425,000	0.71
Mr Arnold Getz and Mrs Ruth Getz	422,000	0.70
Warinco Services Pty Limited	416,295	0.69
Bestfield Company	404,803	0.68
Total of top 20 holdings	23,995,450	40.51
Other holdings	35,973,572	59.49
Total fully paid shares issued	59,969,022	100.00

Shareholder Information (continued)

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 Scheme on 25 November 1993.

Employee Share Option Scheme

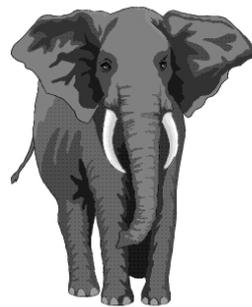
At the Company's Annual General Meeting held on 25 November 1993, shareholders approved the adoption of the Company's Employee Share Option Scheme. On 26 November 1999 the Directors resolved to grant 2,695,000 options to eligible persons under the scheme, 50,000 of these options have since expired and 2,645,000 remain on issue. The options are for a period of five years and expire on 26 November 2004. Holders of the 26 November 2004 options are Robert L Richardson (1,200,000), Robert J Waring (800,000), Raymond J Soper (250,000), Richard G Tweedie (250,000) Wendy L Corbett (125,000) and Robin Catalano (20,000). On 23 November 2000 the Directors resolved to grant 205,000 options to eligible persons under the scheme. The options are for a period of five years, expire on 23 November 2005 and are exercisable at 25 cents. Holders of the 23 November 2005 options are Wendy L Corbett (175,000) and Robin A Catalano (30,000). On 30 November 2001 the Directors resolved to grant 650,000 options to eligible persons under the scheme, 40,000 of these options have since expired and 610,000 remain on issue. The options are for a period of five years, expire on 30 November 2006 and are exercisable at 25 cents. Holders of the 30 November 2006 options are Robert L Richardson (250,000), Robert J Waring (240,000), Raymond J Soper (40,000), Richard G Tweedie (40,000) and Wendy L Corbett (40,000).

Voting rights

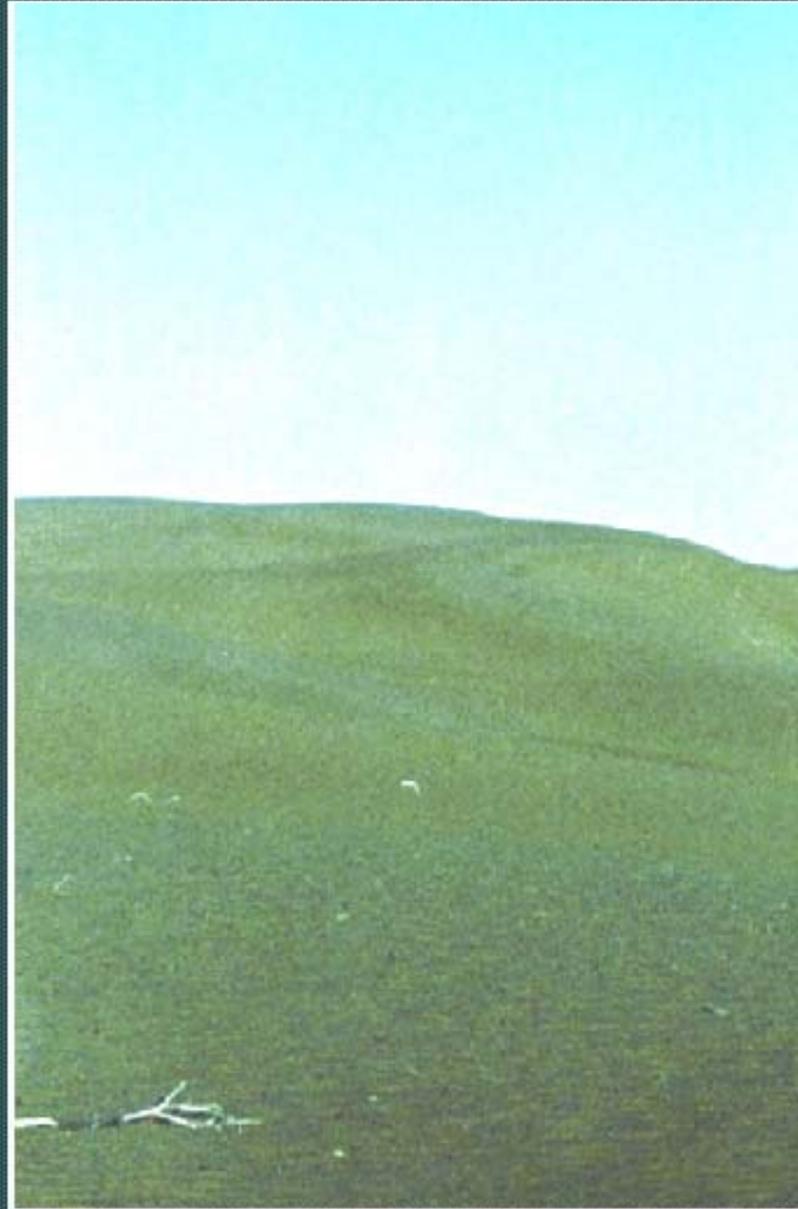
There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those 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 Report of the Directors, the Company has a committee of two Non-Executive Directors 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, principally base metals (copper, lead, zinc and nickel) and precious metals (gold and silver) of the Broken Hill, Voisey's Bay, Olympic Dam and Ernest Henry type and size ("elephants").



PLATSEARCH NL

Level 1, 80 Chandos Street, St Leonards NSW 2065
Telephone (+61 2) 9906 5220 Facsimile: (+61 2) 9906 5233 Email: pts@platsearch.com.au
Website: www.platsearch.com.au