

PLATSEARCH NL

ABN 16 003 254 395

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2005

CORPORATE DIRECTORY

PLATSEARCH NL

ABN 16 003 254 395

DIRECTORS	Raymond J Soper Bob Richardson Robert J Waring
SECRETARY	Robert J Waring
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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 13 March 2006, the Company had 66,166,879 fully paid ordinary shares and 450,000 partly paid shares. In addition the Company had 4,155,000 options under the Employee Share Option Scheme.

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DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2005.

DIRECTORS

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

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

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

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

REVIEW AND RESULTS OF OPERATIONS

The net result of operations after applicable income tax expense for the half-year was a loss of \$238,714 (2004 – loss \$70,438) which includes the write-off of exploration expenditure incurred in the current half-year and prior years of \$71,881 (2004 – \$83,303) and after equity accounting for the Company's interests in Western Plains Gold Ltd (see below).

The principal continuing activity of the Company is the exploration for economic deposits of **zinc, lead, silver, gold, nickel, uranium and mineral sands**. These activities are largely funded by joint ventures with other resource companies. In addition PlatSearch continues an active programme of project generation to identify and acquire prospective areas that can be efficiently advanced by PlatSearch to the drill target stage and then farmed-out.

An important development during the half-year was the completion of the IPO fundraising and listing on the Australian Stock Exchange, by **Western Plains Gold (WPG)** on 31 August 2005. PlatSearch holds a 25% shareholding in WPG, which is funding extensive exploration programmes including drilling through joint venture agreements on three key PlatSearch tenements Mulyungarie, Euriowie and Kalabity near Broken Hill, NSW. Further, through its shareholding in WPG, PlatSearch will benefit from any exploration success on WPG's Redan project at Broken Hill and the Trundle, Lake Cargelligo and Peak Hill East projects in the Lachlan Fold Belt NSW.

Olympic Dam style iron-oxide copper-gold-uranium deposits are being sought in the Curnamona and Gawler Cratons in SA. In the **Callabonna** and **Quinyambie** areas joint venturer Red Metal completed single drill hole tests on two gravity targets intersecting strong alteration, typical of regional alteration seen in other prospective iron-oxide copper-gold terrains around the world. Several gravity and magnetic targets remain untested and are being reassessed by Red Metal for possible drilling. Joint venturer Newcrest Mining completed detailed gravity surveys in the **Frome** and **Poverty Lake** tenements (Benagerie Joint Venture) and has selected four magnetic/gravity targets for drill testing. This drilling is scheduled to commence in April 2006. In the **Mulyungarie** area WPG is scheduled to commence drilling to test a large ironstone body in March 2006. Joint venturer Marathon Resources is committed to drill a deep basement hole at the **Coondambo** prospect located in the Gawler Craton SA, approximately 120 kilometres south west of Olympic Dam. This drilling is scheduled to commence in April 2006.

The search for **stratabound copper-gold** deposits has continued in the Broken Hill Block. Joint venturer Perilya is scheduled to test a magnetic anomaly target in the **Hillston** tenement in the first quarter of 2006. WPG is well advanced with a substantial work programme in the **Euriowie** tenement where five high priority copper-gold prospects are being explored with geological mapping and sampling, geophysical surveys and RAB drilling followed by RC percussion drilling. Preliminary RC percussion drilling at the Fairy Hill and Yalcowinna Creek prospects has intersected wide ferruginous and pyritic horizons with low-grade copper mineralisation and further drilling is planned.

Broken Hill style stratiform lead-zinc-silver deposits are the principal target of the **ZincSearch** joint venture, which was signed with CBH Resources in September 2005. This joint venture is utilising a new exploration technology (NITON portable XRF analyser) that enables large areas to be soil sampled rapidly for a range of metals. This sampling programme will cover large parts of seven tenements (Copper King, Ziggys, Lindsays Creek, Yanco Glen, Big Aller, Apollyon Valley and Mt Robe) that cover a combined area on the Broken Hill Block of approximately 500 square kilometres. The programme is well advanced and has already identified several soil geochemical anomalies that will represent good new drilling targets. A new joint venture agreement was signed with Teck Cominco for the **Stephens-Centennial** project. Teck will complete by June 2006 a 500 metre deep drillhole to test a gravity target and by December 2006 a geochemical sampling programme using a portable NITON XRF analyser at 20,000 sample sites. Also, Teck will



Directors' Report (continued)

provide a geological interpretation of the entire tenement area using Hyperspectral data (*Hymap*) made available recently by the NSW government.

PlatSearch has exposure to potential for **Northparkes/Cadia style porphyry copper-gold potential** through its shareholding in WPG and a royalty interest in the **Trundle** tenement in the Lachlan Fold Belt, NSW. Substantial work, including detailed aeromagnetic surveys, geological mapping and RAB drilling has been conducted on the Trundle and Peak Hill East tenements. At Trundle, the Mordialloc prospect shows promise for porphyry style copper-gold and RAB drilling to define targets for deeper drilling is continuing.

An extensive shear structure with potential for **Cobar style shear-hosted copper-gold** has been identified in WPG's **Lake Cargelligo** tenement. Preliminary drilling by WPG has confirmed the presence of a wide, strongly altered shear zone at the Achilles 1 prospect. Geophysical surveys followed by further drilling are planned.

WPG has farmed into the **Kalabity** tenement, located near Olary, SA where previous work suggests potential for **intrusive-hosted uranium** mineralisation. WPG has completed an extensive programme of calcrete sampling.

Sulphide nickel deposits are the principal target in the **Wynbring, Toolgerie, Yalata** and **Black Hill** tenements located in the western Gawler Craton, SA. Previous joint venturer Inco Resources conducted ground electromagnetic surveys at Wynbring in late 2005. Negotiations with a new joint venture partner to fund a drilling programme in the area are at an advanced stage.

The Toolgerie, Yalata and Black Hill tenements also have potential for **heavy mineral sands**. PlatSearch is seeking a joint venture partner to explore these areas.

FINANCIAL

On 25 November 2005 PlatSearch announced an issue to shareholders at 7 cents per share under its Shareholder Share Purchase Plan (SPP). As at 31 December 2005 the Company has received applications for 2,390,129 shares amounting to \$167,310. Following the closure of the issue on 16 January 2006 at total of 4,601,180 shares were allotted on 23 January 2006. The issue raised a total of \$322,083. The funds raised are being used to provide additional capital to continue exploration project generation and project enhancement, prior to drill testing or farm-out to larger companies.

SUBSEQUENT EVENTS

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

AUDITOR'S INDEPENDENCE DECLARATION

The independence declaration of our auditor is on page 18 and forms part of this report.

Signed at Sydney this 13th day of March 2006 in accordance with a resolution of the Directors.



R L RICHARDSON
Managing Director



INCOME STATEMENT

Half-year ended 31 December 2005

	Note	2005	2004
		\$	\$
REVENUE	2	19,255	281,005
Salaries and employee benefits expense		(82,415)	(86,775)
Salaries recharged to exploration projects		45,969	89,750
Depreciation expense		(1,213)	(1,564)
ASX and ASIC fees		(9,896)	(11,791)
Directors' fees		(3,150)	(6,300)
Exploration written-off on sale of tenements		-	(50,712)
Exploration expenditure written-off		(71,881)	(83,303)
Geological and corporate consultants		(44,859)	(69,440)
Operating lease rental expense		(16,876)	(19,074)
Auditors' remuneration		(7,451)	(5,813)
Loss on sale of investment		(18,000)	-
Share registry costs		(3,947)	(4,065)
Share based payments		-	(10,350)
Other expenses from ordinary activities		(22,947)	(19,022)
Share of net losses of associates accounted for using the equity method		(21,303)	(72,984)
LOSS BEFORE TAX AND FINANCE COSTS		(238,714)	(70,438)
Finance costs		-	-
LOSS BEFORE INCOME TAX		(238,714)	(70,438)
Income tax expense		-	-
LOSS AFTER TAX		(238,714)	(70,438)
NET LOSS ATTRIBUTABLE TO MEMBERS OF PLATSEARCH NL		\$(238,714)	\$(70,438)
Basic loss per share (cents per share)		0.36	0.11
Diluted loss per share (cents per share)		0.36	0.11



BALANCE SHEET

at 31 December 2005

	Note	31 Dec 05	30 Jun 05
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		239,730	85,548
Receivables	3	8,513	108,336
Other financial assets		-	50,000
TOTAL CURRENT ASSETS		248,243	243,884
NON-CURRENT ASSETS			
Investments accounted for using the equity method	4	674,074	237,360
Tenement security deposits		103,000	123,000
Plant and equipment		2,576	2,576
Deferred exploration and evaluation expenditure	5	379,872	406,046
TOTAL NON-CURRENT ASSETS		1,159,522	768,982
TOTAL ASSETS		1,407,765	1,012,866
CURRENT LIABILITIES			
Payables		42,371	52,329
TOTAL CURRENT LIABILITIES		42,371	52,329
TOTAL LIABILITIES		42,371	52,329
NET ASSETS		\$1,365,394	\$960,537
EQUITY			
Issued capital	6	7,521,773	7,354,463
Accumulated losses		(6,714,808)	(6,476,094)
Reserves		558,429	82,168
TOTAL EQUITY		\$1,365,394	\$960,537



STATEMENT OF CASH FLOWS

Half-year ended 31 December 2005

	2005	2004
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payment to suppliers and employees	(153,098)	(125,257)
Exploration consultancy fees received	7,772	992
Interest received	4,824	11,005
Rental income received	6,660	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(133,842)</u>	<u>(113,260)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(971)	(2,413)
Expenditure on mining interests (exploration)	(48,619)	(196,121)
Exploration on behalf of joint venturers	-	(12,000)
Tenement security deposits	20,000	-
Investment in associated company	-	(80,000)
Repayment of advance to associated company	100,304	-
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	<u>70,714</u>	<u>(290,534)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	167,310	150,000
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>167,310</u>	<u>150,000</u>
NET INCREASE (DECREASE) IN CASH HELD	104,182	(253,794)
Add opening cash brought forward	135,548	408,217
CLOSING CASH CARRIED FORWARD	<u>\$239,730</u>	<u>\$154,423</u>



STATEMENT OF CHANGES IN EQUITY

Half-year ended 31 December 2005

	Attributable to the shareholders of PlatSearch NL			
	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
AT 1 JULY 2004	6,893,783	(6,019,777)	-	874,006
Loss for the period	-	(70,438)	-	(70,438)
Total expense for the period	-	(70,438)	-	(70,438)
Cost of share based payments taken directly to Equity	-	-	10,350	10,350
Issue of share capital	150,000	-	-	150,000
AT 31 DECEMBER 2004	7,043,783	(6,090,215)	10,350	963,918
Loss for the period	-	(385,879)	-	(385,879)
Total expense for the period	-	(385,879)	-	(385,879)
Cost of share based payments taken directly to Equity	-	-	71,818	71,818
Issue of share capital	324,400	-	-	324,400
Share issue costs recognised directly in Equity	(13,720)	-	-	(13,720)
AT 30 JUNE 2005	7,354,463	(6,476,094)	82,168	960,537
AT 1 JULY 2005	7,354,463	(6,476,094)	82,168	960,537
Change in interest in associate arising from share issue by associate	-	-	476,261	476,261
Loss for the period	-	(238,714)	-	(238,714)
Total expense for the period	-	(238,714)	476,261	237,547
Issue of share capital	167,310	-	-	167,310
AT 31 DECEMBER 2005	\$7,521,773	\$(6,714,808)	\$558,429	\$1,365,394



NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

31 December 2005

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

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

The half-year financial report should be read in conjunction with the annual financial report of PlatSearch NL as at 30 June 2005, which was prepared based on Australian Accounting Standards applicable before 1 January 2005 (“AGAAP”).

It is also recommended that the half-year financial report be considered together with any public announcements made by PlatSearch NL during the half-year ended 31 December 2005 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of Accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis and available-for-sale financial assets that have been measured at fair value.

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

(b) Going Concern

The Company has incurred an operating loss after income tax of \$238,714 (2004 - \$70,438) for the half-year ended 31 December 2005. The financial statements have been prepared on a going concern basis. The Company’s ability to continue as a going concern and meet its debts as and when they fall due 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. In the Directors’ opinion, there are reasonable grounds to believe that such funding will continue to be available. However, 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 and may be unable to continue as a going concern.

No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

(c) Statement of Compliance

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

This is the first half-year financial report prepared based on AIFRS and comparatives for the half-year ended 31 December 2004 and full-year ended 30 June 2005 have been restated accordingly. A summary of the significant accounting policies of the Company under AIFRS is disclosed in Note 1(c) below.

Reconciliations of:

- AIFRS equity as at 1 July 2004, 31 December 2004 and 30 June 2005; and
- AIFRS profit for the half-year 31 December 2004 and full year 30 June 2005, to the balances reported in the 31 December 2004 half-year report and 30 June 2005 full-year financial report prepared under AGAAP are detailed in Note 1(e) below.

(d) Summary of Significant Accounting Policies

(i) Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.



Notes to the Half-Year Financial Statements (continued)

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(i) Plant and Equipment (continued)

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Plant and equipment – shorter of applicable asset life or depending upon the nature of the asset between 3 to 15 years.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(ii) Recoverable Amount of Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(iii) Exploration, Evaluation, Development and Restoration Costs

Exploration and evaluation

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

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

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

Accumulated costs in respect of areas of interest are written off in the Income Statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis.

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



Notes to the Half-Year Financial Statements (continued)

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(iv) Trade and Other Receivables

Trade receivables, which generally have 5-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(v) Cash and Cash Equivalents

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

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

(vi) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(vii) Share-Based Payments

An employee share option scheme has been established where selected employees, consultants, contractors and Directors 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 were 3,380,000 options issued in December 2004 which expire on 24 November 2009, which are exercisable at 25 cents and which vested in May 2005. Options expire if not exercised 90 days after a participant resigns from the Company.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (a) the extent to which the vesting period has expired and (b) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. The Company has applied the requirements of AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" in respect of equity-settled awards and has applied AASB 2 "Share-Based Payments" only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005.

(viii) Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.



Notes to the Half-Year Financial Statements (continued)

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(viii) Leases (continued)

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

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

(ix) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(x) Income Tax

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

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

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

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

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

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



Notes to the Half-Year Financial Statements (continued)

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(x) Income Tax (continued)

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

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

(xi) Other Taxes

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

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

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

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

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

(xii) 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.

(xiii) Both the functional and presentation currency is Australian dollars.

(e) AASB 1 Transitional Exemptions

The Company has made its election in relation to the transitional exemptions allowed by AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" as follows:

Share-based payment transactions

AASB 2 "Share-Based Payments" is applied only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005.

Exemption from the requirement to restate comparative information for AASB 132 and AASB 139

The Company has not elected to adopt this exemption and has applied AASB 132 "Financial Instruments: Presentation and Disclosure" and AASB 139 "Financial Instruments: Recognition and Measurement" to its comparative information.



Notes to the Half-Year Financial Statements (continued)

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(f) Impact of Adoption of AIFRS

The impacts of adopting AIFRS on the total equity and loss after tax as reported under Australian Accounting Standards applicable before 1 January 2005 (AGAAP), the Company's transition date to AIFRS, are illustrated below.

(i) Reconciliation of total equity as presented under AGAAP to that under AIFRS

	Notes	30 Jun 05 \$	31 Dec 04 \$	01 Jul 04 \$
Total equity under AGAAP as previously recognised		957,667	963,359	874,006
<i>Adjustment to accumulated losses (net of tax):</i>				
Write back of amortisation	(a)	2,870	559	-
Recognition of share based payment expense	(b)	(82,168)	(10,350)	-
		<u>878,369</u>	<u>953,568</u>	<u>874,006</u>
<i>Adjustment to other reserves (net of tax):</i>				
Recognition of share-based payment expense	(b)	82,168	10,350	-
Total equity as reported under AIFRS		<u>\$960,537</u>	<u>\$963,918</u>	<u>\$874,006</u>

(ii) Reconciliation of profit after tax under AGAAP to that under AIFRS

	Notes	12 months 30 Jun 05	6 months 31 Dec 04
Net Loss as reported under AGAAP		(377,019)	(60,647)
Write back of amortisation	(a)	2,870	559
Less share based payments	(b)	<u>(82,168)</u>	<u>(10,350)</u>
Net Loss after Tax under AIFRS		<u>\$(456,317)</u>	<u>\$(70,438)</u>

(a) Goodwill is not amortised under AASB 3 "Business Combinations", but was amortised under previous AGAAP. This caused an increase in equity and profit for the year.

(b) Share-based payment costs are charged to the income statement under AASB 2 "Share-Based Payments", but not under previous AGAAP. This has caused a decrease in equity and profit for the year.

(iii) Explanation of material adjustments to the cash flow statement

There are no material differences between the cash flow statement presented under AIFRS and those presented under AGAAP.

(g) Comparatives

Comparative figures have been reclassified and repositioned to provide consistency with current year disclosures.



Notes to the Half-Year Financial Statements (continued)

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(h) Investment in Associate

The Company's investment in its associate is accounted for under the equity method of accounting in the Company's financial statements. This is an entity, Western Plains Gold Ltd (WPG), in which the Company has significant influence and which is neither a subsidiary nor a joint venture.

The financial statements of the associate are used by the Company to apply the equity method. The reporting dates of the associate and the Company are identical and both use consistent accounting policies.

The investment in the associate is carried in the Company's balance sheet at cost plus post-acquisition changes in the Company's share of net assets of the associate, less any impairment in value. The income statement reflects the Company's share of the results of operations of the associate.

Where there has been a change recognised directly in the associate's equity, the Company recognises its share of any changes and discloses this, when applicable in the statement of changes in equity.

2. REVENUE

	31 Dec 05 \$	31 Dec 04 \$
Interest received – other persons/corporations	4,823	11,005
Rental income	6,660	-
Consulting fees	7,772	110,000
Sale of tenements	-	160,000
	<u>\$19,255</u>	<u>\$281,005</u>

3. RECEIVABLES - CURRENT

	31 Dec 05 \$	30 Jun 05 \$
Amount receivable from associated company	1,189	100,304
Other receivables	7,324	8,032
	<u>\$8,513</u>	<u>\$108,336</u>

4. NON-CURRENT ASSETS

Investment accounted for using the equity method	<u>\$674,074</u>	<u>\$237,360</u>
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During the period October and November 2004 the Company acquired 6,750,000 shares and 4,850,000 options in WPG. This equity purchase was part of a capital raising programme by WPG which culminated in WPG issuing a prospectus, issuing 13,959,000 new shares and listing on ASX in August 2005.

At 31 December 2005 PlatSearch's investment represents a 24.8% interest in WPG. The Directors believe that PlatSearch does not exercise control of WPG, nor does it have the capacity to control WPG. The Company's interest in WPG has been brought to account as an investment in an equity accounted associate in accordance with Australian Accounting Standard AASB 128 "Accounting for Investments in Associates" as the Directors consider that significant influence exists.



Notes to the Half-Year Financial Statements (continued)

4. NON-CURRENT ASSETS (continued)

Interest in Associate

Name	Balance date	Ownership interest held	
		31 Dec 05 %	30 Jun 05 %
Western Plains Gold Ltd – ordinary shares	30 June	24.8	58
(i) Principal activity WPG is an Australian minerals explorer		31 Dec 05 \$	31 Dec 04 \$
(ii) Share of associate's losses			
Share of associate's			
- net loss before income tax		(21,303)	(9,184)
- income tax expense attributable to net profit		-	-
Share of net losses after income tax		(21,303)	(9,184)
Adjusted for unrealised intercompany profits		-	(63,800)
Share of associate's net losses		<u><u>\$ (21,303)</u></u>	<u><u>\$ (72,984)</u></u>

The Company's share in any retained profits or reserves of the associated company are not available to PlatSearch until such time as those profits and reserves are distributed by the associated company.

	31 Dec 05 \$	30 Jun 05 \$
(iii) Carrying amount of investment in associate		
Balance at the beginning of the financial period	237,360	-
- cost of investment	-	350,000
- disposal of investment	(18,244)	-
- share of associate's net losses for the financial period	(21,303)	(48,840)
- unrealised intercompany profits	-	(63,800)
- change in interest in associate arising from share issue by associate	476,261	-
Carrying amount of investment in associate at the end of the financial period	<u><u>\$674,074</u></u>	<u><u>\$237,360</u></u>
(iv) Share of associate's assets and liabilities		
Current assets	473,182	482,641
Non-current assets	229,004	232,760
Current liabilities	(13,264)	(463,437)
Net assets	<u><u>\$688,922</u></u>	<u><u>\$251,964</u></u>
(v) Accumulated losses of the Company attributable to associate		
Balance at the beginning of the financial period	(112,640)	-
Share of associate's net losses	(21,303)	(112,640)
Balance at the end of the financial period	<u><u>\$ (133,943)</u></u>	<u><u>\$ (112,640)</u></u>
(vi) The market value on ASX of PlatSearch's shares in WPG at 31 December 2005 was \$1,111,250.		

5. NON-CURRENT ASSETS

Deferred exploration and evaluation expenditure

Costs brought forward	406,046	369,558
Costs incurred during the half-year	45,707	339,079
Expenditure written off during the half-year	(71,881)	(302,591)
Costs carried forward	<u><u>\$379,872</u></u>	<u><u>\$406,046</u></u>



Notes to the Half-Year Financial Statements (continued)

6. ISSUED CAPITAL

	31 Dec 05		30 Jun 05
	\$		\$
Share capital			
66,166,879 ordinary shares fully paid (June 2005 – 66,166,879)	7,349,963	6	7,349,963
450,000 ordinary shares paid to one cent with 24 cents unpaid (June 2004 - 450,000)	4,500		4,500
Shareholder Share Purchase Plan - applications allotted on 23 January 2006	<u>167,310</u>		<u>-</u>
	<u>\$7,521,773</u>		<u>\$7,354,463</u>

On 25 November 2005 PlatSearch announced an issue to shareholders at 7 cents per share under its Shareholder Share Purchase Plan (SPP). As at 31 December 2005 the Company has received applications for 2,390,129 shares amounting to \$167,310. Following the closure of the issue on 16 January 2006 at total of 4,601,180 shares were allotted on 23 January 2006. The issue raised a total of \$322,083.

7. CONTINGENT ASSETS AND LIABILITIES

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

8. SEGMENT INFORMATION

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

9. SUBSEQUENT EVENTS

Other than the allotment of shares in January 2006 mentioned in note 6, no event has occurred subsequent to 31 December 2005 requiring disclosure in, or amendment to, these financial statements.



DIRECTORS' DECLARATION

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

In the opinion of the Directors:

- a) the financial statements and notes of the Company:
 - i) give a true and fair view of the Company's financial position as at 31 December 2005 and the performance for the half-year ended on that date; and
 - ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



R L RICHARDSON
Director

Sydney, 13 March 2006



Independent review report to members of PlatSearch NL

Scope

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to the financial statements for PlatSearch NL (the company) and the directors' declaration for the 6 months ended 31 December 2005.

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 Standard AASB 134 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

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

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 134 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

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

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration which is referred to in the Directors' Report and a copy of which follows this report.

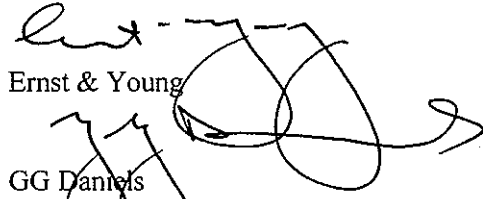
Statement

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

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the company at 31 December 2005 and of its performance for the 6 months ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 “Interim Financial Reporting” and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.

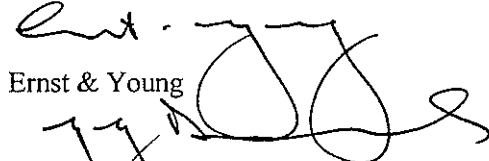
Inherent Uncertainty Regarding Continuation of Going Concern

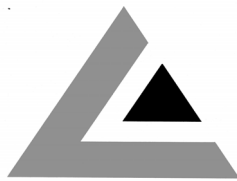
Without qualification to the statement expressed above, attention is drawn to the following matter. As a result of the matters described in Note 1 to the financial statements, there is significant uncertainty whether the company will be able to continue as a going concern and therefore whether it will 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
GG Daniels
Partner
Sydney
13 March 2006

Auditor’s Independence Declaration to the Directors of PlatSearch NL

In relation to our review of the financial report of PlatSearch NL for the 6 months ended 31 December 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.


Ernst & Young
Gary Daniels
Partner
13 March 2006



PLATSEARCH NL

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PLATSEARCH NL