PLATSEARCH NL

Annual Report 2012

Contents

Chairman's Letter

Dear Fellow PlatSearch Shareholders,

I again take the opportunity to update you on the progress that your Company has made over the past 12 months.

Times have certainly changed since last year. Most commodity prices are well off their highs. We are bombarded with daily news of European sovereign debt problems and concerns about the state of future economic growth, in particular the outlook for China.

At Platsearch we are looking past the short term that seems to beguile many financial commentators and investors. We are not ignoring the immediate and obvious concerns but do believe that the longer term drivers of the emerging economies especially China and India remain in place. Accordingly, we expect the ongoing sweep of increased urbanisation leading to higher energy and materials consumption as those countries see increased income growth to continue and, in due course, reassert itself in the minds of investors and commentators.

We do remain concerned about the massive sovereign debt problems and their likely impact on economic growth especially in Europe. However, even though the actions of key policy makers are slower and more sporadic than markets might like, they are moving in the general direction of greater financial stability, not less. Thus, in time, we believe that the fears of European financial disaster will most likely recede through the coming year.

Throughout these interesting times we are now seeing much better value opportunities in the resources sector than we saw in the heat of the more bullish times over a year ago.

During the past year our focus has very much been on the development of Variscan Mines SAS, our wholly owned European subsidiary, which is outlined in detail in the Operational Review. We have elected to concentrate less on wholly owned exploration activities (although we do have some very encouraging results) but are seeking to maximize the value in the partly owned investments which PlatSearch holds.

Last year, we reported that we had identified a range of advanced and brownfields opportunities within Europe and Africa and had progressed substantial evaluation and acquisition work.

We have focused on Europe for several reasons:

1. The overall mineral endowment of Europe is impressive even though there has been little exploration in most countries over the past 30–40 years during which time there have been significant advances in exploration techniques.

2. Modern Europe produces about 3% of world mineral production but consumes around 30%.

3. We expect European government policies will shift towards attracting mineral exploration and development due to security of supply concerns and the positive impact mineral development can have on tax collections when many Governments are running large deficits.

We are well advanced in delivering on our European strategy and as part of that entered into an MOU with ERAMET, a major French mining and metallurgical company, to assist in the development and construction of new projects that Variscan Mines identifies and acquires.

With regard to our major investments we are very encouraged by the exploration results and activities from Eastern Iron, Silver City Minerals and Thomson Resources. Whilst these results may not be reflected in current share market valuations we remain confident that will change for the better.

Whilst our own direct exploration activities have been a lesser priority we have some very interesting results from Marmota Energy on the Junction Dam uranium deposit and from UXA Resources at Mundi Plains. In particular, UXA Resources work has indicated the possibility that the Polygonum-Mammoth area has the potential to host major stratabound lead-zinc-silver deposits. It is early days and the exploration path requires plenty of persistence but it is certainly worth further exploration effort.

PlatSearch is in excellent financial shape. At year end we had cash of $11.4 million and investments with a market value, at the current depressed levels, of $5.7 million.

Finally, I would also like to acknowledge our Managing Director, Greg Jones and the executive and staff team at PlatSearch whose continued hard work and persistence is integral to the Company's progress.

I thank you for your support and look forward to reporting on our progress, especially in Europe, through the coming year.

Pat Elliott
Chairman

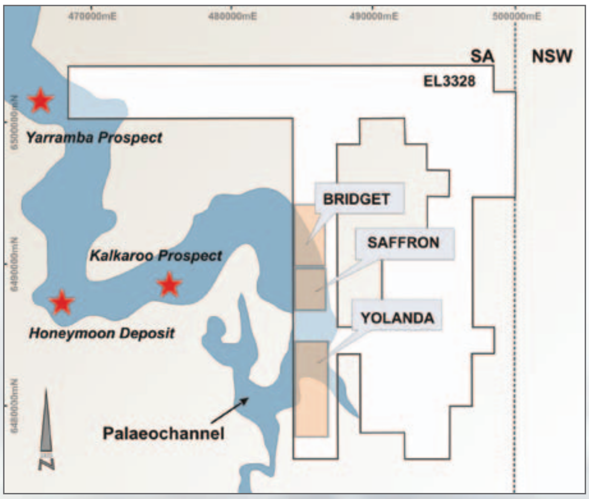
Operational Review

Australian Exploration

CURNAMONA PROVINCE / BROKEN HILL, NSW AND SA

Encouraging exploration results continued to be recorded by joint venturer Marmota Energy Limited in drilling at the **Junction Dam uranium** prospect.

During the year Marmota reported an inferred resource estimate for the Saffron deposit. The uranium mineralisation is similar to the nearby Honeymoon uranium mine and the Four Mile project, suggesting potential for in-situ leach extraction.



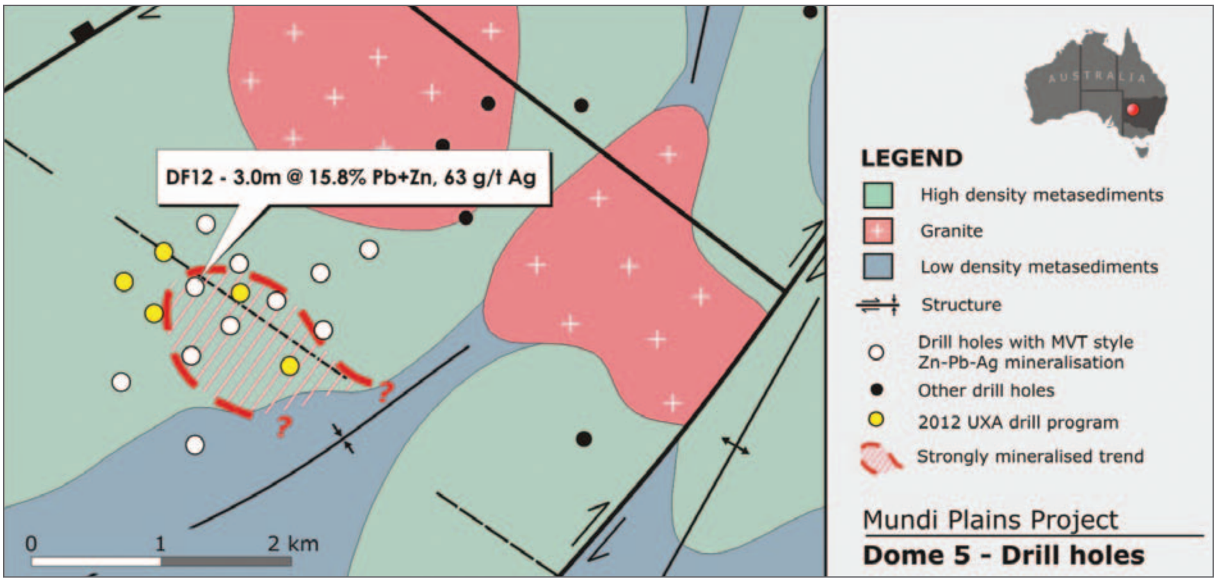
Marmota also completed drilling which intersected uranium mineralisation to the east and south beyond the current resource boundary of Saffron. In addition, drilling within Bridget continued to generate new intercepts and indicates that mineralisation from Saffron through Bridget could extend for more than 6.5 kilometres along strike (Figure 1).

UXA Resources Ltd (UXA) is currently earning Teck's interest in the PTE joint venture covering both the **Junction Dam and Mundi Plains** tenements (but not including the Junction Dam uranium JV with Marmota). UXA has met the initial $1.2 million minimum spend on exploration and will earn 50% of Teck's interest when it has completed $2.0 million of expenditure.

During the year UXA completed a substantial drilling program over the Dome 5 prospect at Mundi Plains (Figure 2), following up drilling by Teck which had previously defined narrow, high grade intervals (3.0 metres at 15.8% lead+zinc and 63g/t silver) of Mississippi Valley Type (MVT) lead-zinc-silver mineralisation approximately 330 metres below the surface.

Results suggested that the mineralisation system, though extensive, is weakening to the west, but remains open to the southeast. The possibility of a higher grade zone within the area of known mineralisation cannot be ruled out based on the current widely spaced drilling.

Left: Figure 1 – Location of the Saffron, Bridget and Yolanda prospects

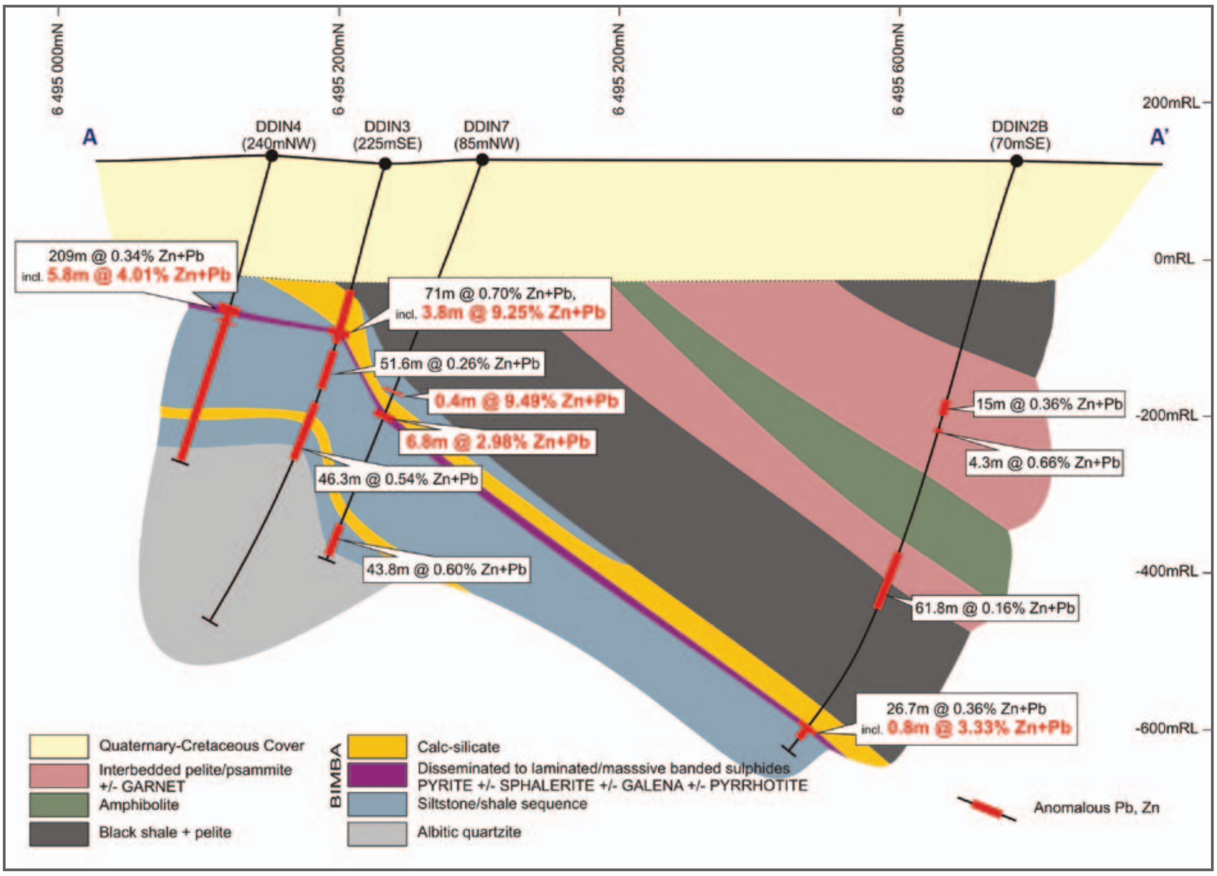


One of the key exploration targets within the joint venture area is the Polygonum-Mammoth copper-gold and lead-zinc-silver prospect. This highly prospective mineralised zone was previously identified in drilling by a number of companies (including CRA and Inco) who recorded significant intersections including 3.8 metres at 9.25% zinc + lead in hole DDIN3 (Figure 3).

Polygonum-Mammoth is located within the Bimba Formation, which in South Australia hosts the Portia (Au) and Kalkaroo (Cu, Au) deposits and stretches for over 50 kilometres in strike length through the Junction Dam and Mundi Plains tenements.

Top: Figure 2 – Mundi Plains Project Dome 5 drill holes

Below: Figure 3 – Cross-section of Polygonum drill-holes



UXA has completed a review of the historical data for the project, including the examination of old drill core held in Broken Hill. UXA is planning a new exploration program, including geophysics and drilling, to follow up the previous mineralised drill intersections targeting stratabound lead-zinc-silver mineralisation in the Bimba and within the overlying garnet-rich metasediments, believed to be the lateral extension of the Broken Hill ore horizon. The review of data has highlighted the possibility that the Polygonum-Mammoth area is part of a third order basin (Figure 4) which, elsewhere in the world, are recognised as important controlling basins for hosting major stratabound lead-zinc-silver deposits.

A significant regional airborne electromagnetic (VTEM) survey was completed covering a large portion of the **Hillston joint venture** tenement (Perilya earning 80%) south of Broken Hill, NSW. Preliminary anomalies identified from the survey include two areas which appear to be related to bedrock conductors. Field checks as well as spatially constrained inversions of the VTEM data were completed. VTEM data is currently being reviewed to ascertain whether additional targets at depth may be present.

LACHLAN FOLD BELT, NSW

Previous work by PlatSearch at the **Ghostrider** Project MVT lead-zinc-silver project had identified strongly anomalous results in RAB drilling conducted by BHP Limited in the 1980s, with maximum values in the weathered zone of 1.15% lead and 0.22% zinc. A large Induced Polarisation (IP) survey was completed during the year to test the project area for deeper base metal sulphides. The IP defined anomalism within and to the west and south of the main geochemical anomaly.

In April 2012, PlatSearch announced that it entered into two joint venture agreements with Thomson Resources Ltd, including one over the Ghostrider project. The joint venture will allow Thomson to earn an 80% interest in the project through the expenditure of $1 million.

For further detail please refer to the Thomson Resources section under Investments.

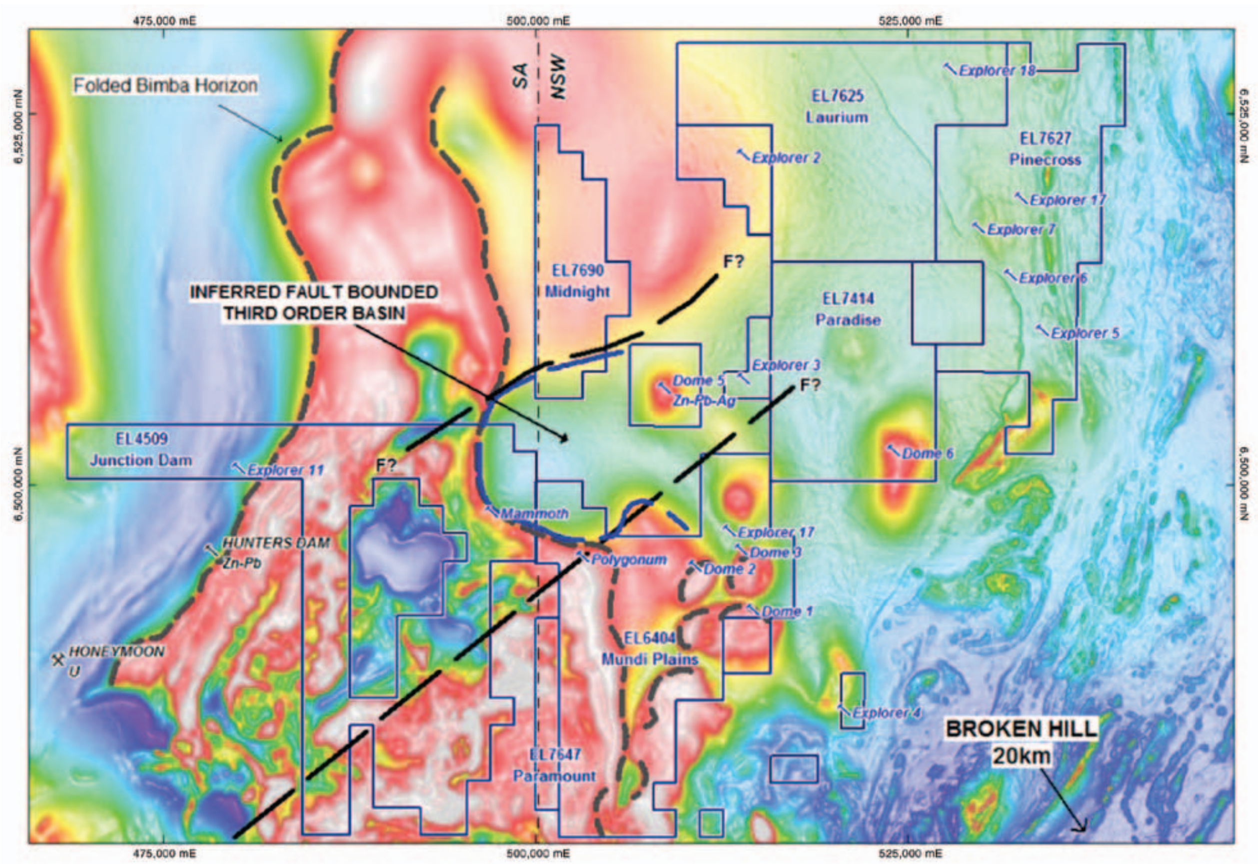


Figure 4 – Geophysics of the Polygonum-Mammoth area

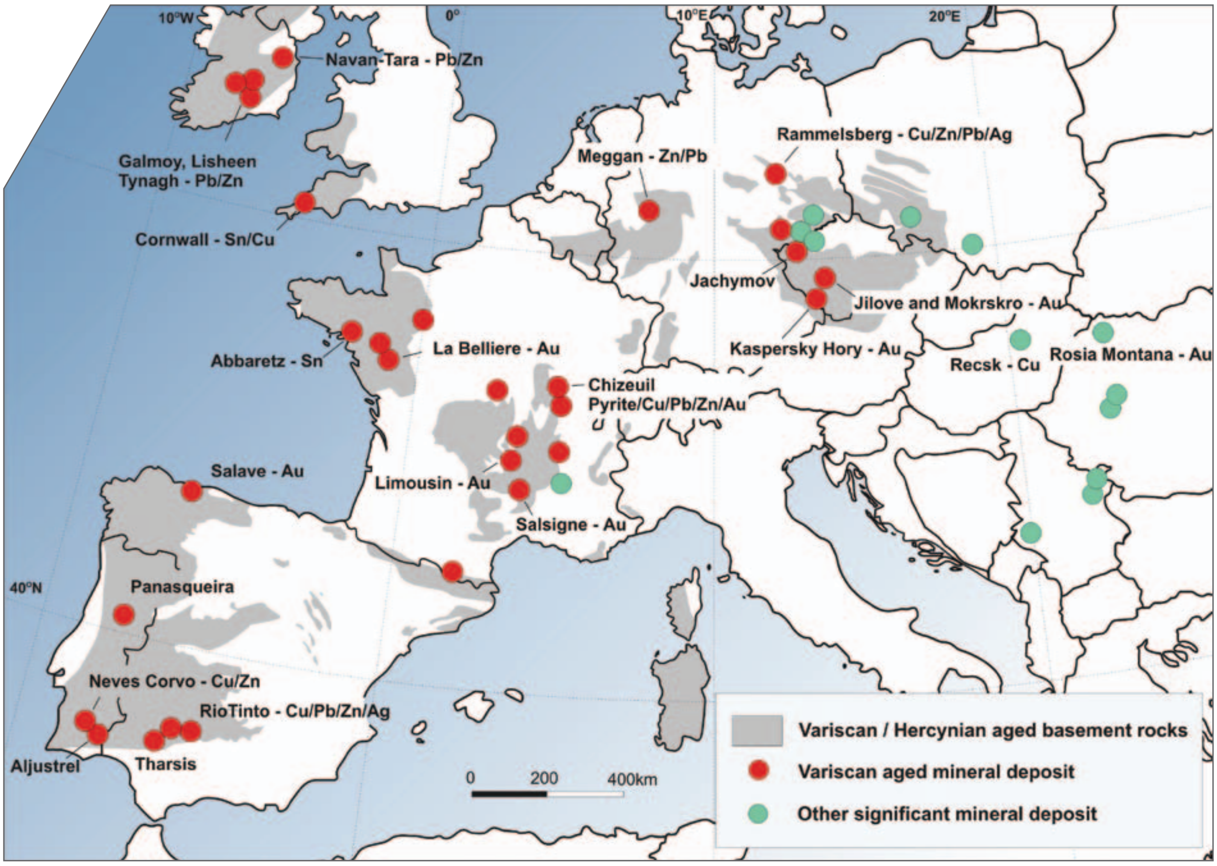


Figure 5 – Principal mineral deposits in Europe

Business Development

EUROPE

As previously outlined to its shareholders, PlatSearch has identified a range of advanced and brownfield opportunities within Europe. The Company's wholly owned European subsidiary, Variscan Mines SAS, has established and equipped an office in Orleans, France and employed a team of experienced European geologists. The Company is progressing further evaluation and acquisition work and remains confident that it will acquire quality advanced projects in Europe. The region will be a key focus for PlatSearch over the next 12 months.

PlatSearch has targeted Europe due to its favourable geology (notably rocks from the Variscan period), strong mineral endowment, good infrastructure and relatively modest sovereign risk.

Europe has a long and rich history of mining stretching from early Greek and Roman times through to the present day and is well endowed with mineral deposits that have helped to dramatically shape the history of the region. Mineral deposits which have been a crucial part of the development and industrialisation of Europe include:

- the rich silver deposits of Laurion on Greece's Attica coast;
- the world-class copper, silver and iron deposits of Rio Tinto which were the most important source of metals for the Roman empire;

- the tin deposits of Cornwall, source of much raw material used in the Bronze age; and
- the high grade silver-copper-lead deposits of Rammelsberg which were an indispensable factor in the Renaissance.

The importance of European mining was clearly defined by Agricola, who in 1556 published his seminal work *De re Metallica* which '… underlined the crucial role being played in the renaissance of Western life, culture and commerce by the continuing infusion of wealth from the mines of central Europe' (R. Raymond – *Out of the Fiery Furnace*, 1984).

Variscan Metallogeny

The majority of western Europe's significant mineral deposits are hosted within the Variscan Orogenic Belt (Figure 5) which was deposited as a pile of marine sediments and intercalated volcanics in the closed western arm of the Tethyan Ocean starting about 700 million years ago. To the north, this ocean was bracketed by the North American (Laurasian) and Fenno – Scandian (Baltic) continents and to the south, by the African – Australasian – Antarctic continent (Gondwana). From about 340 million years ago, the three continents collided to form the Supercontinent 'Pangea' which, in an event similar to that which formed the modern Himalayan mountains, created the Variscan mountain chain extending across most of the present European continent.

This protracted global geologic tectonism resulted in the generation of several important metallogenic events which gave rise to groups of large metal deposits and world famous mining districts. The key metallogenic periods included:

- 400 to 320 million years – a series of submarine volcanic events resulted in the formation of clusters of world class, massive base metal sulphide bodies within the Iberian Pyrite Belt of Spain and Portugal (Rio Tinto, Tharsis, La Zarza, and Neves Corvo), and in the Harz and Rhenish mountains (Rammelsberg & Meggan deposits) of Germany;
- 320 to 290 million years – as the Variscan mountain chain formed, a series of increasingly evolved granites were intruded on an unusually large scale. Substantial metal deposits of various types were deposited including complex and stockwork vein systems bearing tin, tungsten, uranium, base and critical metals and precious metals (Jachymov and Pribram, Czech Republic; Freiberg – Annaberg and Clausthal – Zellerfeld, Germany; Cornwall, UK; Brittany and Massive Central, France; Santiago and Leon belts, Spain);
- 210 to 180 million years - a period of failed rifting during the post-mountain building phase resulted in the formation of the giant Kupferschiefer copper – silver deposits of Poland and world class limestone hosted lead – zinc – silver deposits at rift margins in Ireland (Navan, Tynagh, Lisheen, Silvermines), France (Les Malines – L'Argentiere) and Poland (Upper Silesia).

By any metric, the overall metal endowment of Europe is impressive, especially considering that much of the continent, with the exception of Sweden, Finland and Spain, has remained largely unexplored over the last 30–40 years due to a combination of economics and political issues. Countries considered to have strong geological potential to host additional major mineral deposits include Germany, Bulgaria, Romania, France, Hungary, Serbia, Greece and Macedonia.

Despite this obvious endowment and capacity to potentially produce large quantities of important and strategic metals, mining in Europe is relatively underdeveloped. Modern Europe currently consumes approximately 30% of world mineral production but only produces about 3%, with some of countries having virtually no mineral mining.

This is predicted to change as European countries:

1. Grapple with increased mineral security concerns given huge rises in demand for metals worldwide, and the emergence of China, South East Asia and Brazil as major economic powers; and
2. Recognise the positive impact that a vibrant mining industry can have on a country's balance of payments, GDP and unemployment (particularly an issue post-GFC).

The EU is witnessing increased political and economic awareness of the importance of a strong metal mining industry. Policy changes in certain countries to encourage exploration and make mining more attractive to investors are anticipated.

ERAMET

During the year the Company announced that Variscan had signed a Memorandum of Understanding (MOU) with ERAMET to assist in the development and construction of new projects that Variscan identifies and acquires in Europe.

ERAMET is a major French multi-national mining and metallurgical company and a significant producer of nickel and manganese. It is actively seeking new growth opportunities, notably in its core commodities as well as into specialty metal markets.

The agreement aligns the Company with a large, well-financed group to help provide added depth and flexibility, particularly in project financing of new mine construction and access to outstanding metallurgical, research and development and marketing skills. It allows PlatSearch to potentially leverage off its strong geological and exploration skills and its knowledge and technical understanding of Europe through partnership with one of Europe's leading mining groups.

Investments

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

Over the last few years the returns from this strategy have been very strong. This was exemplified by the $10.9 million received from WPG Resources (ASX: WPG) in early November 2011 following the sale of WPG's South Australian iron assets to Onesteel Limited (now Arrium) for $320 million, representing an almost six times return on capital for PlatSearch.

In June 2012 PlatSearch substantially increased investment in Eastern Iron Limited (ASX: EFE) by taking up its full entitlement in an EFE rights issue to raise funds to complete a mine scoping study over EFE's advanced Nowa Nowa iron project in eastern Victoria. This significant investment ($1.16 million) reflects the Company's conviction of the quality of Nowa Nowa and the potential to generate strong cash flows if brought into production.

Also during 2011 Silver City Minerals Limited (ASX: SCI), another company that PlatSearch conceived and vended-in exploration assets, listed onto the ASX. The SCI IPO progressed well considering the volatile market conditions, raising a total of $9.8 million.

The success of the IPO reflected excellent broker support and the quality of the exploration portfolio and assembled management.

As a result of the Company's successful investment strategy, as at the end of the financial year PlatSearch had $11.4 million in cash (before the Eastern Iron rights issue payment), a sound financial position for the Company to progress its work. In addition, despite significant market volatility, the total value of the PlatSearch shareholdings in other ASX listed resource companies stood at approximately $5.7 million.

EASTERN IRON

Nowa Nowa

In February 2012 Eastern Iron (ASX: EFE) announced that it secured a 100% interest in the high grade Nowa Nowa iron project located near Bairnsdale in eastern Victoria, 270 kilometres east of Melbourne (Figure 6). The project has the potential to support a modest, but high-grade open cut operation generating robust cash flows.

The Nowa Nowa iron deposits consist of massive magnetite/hematite lenses 40-80 metres thick located about 30-50 metres below Tertiary sands and volcanic rocks. They were discovered in 1955 by the Victorian Mines Department drilling regional magnetic highs, with most drilling (27 core holes) centred on the Five Mile deposit.

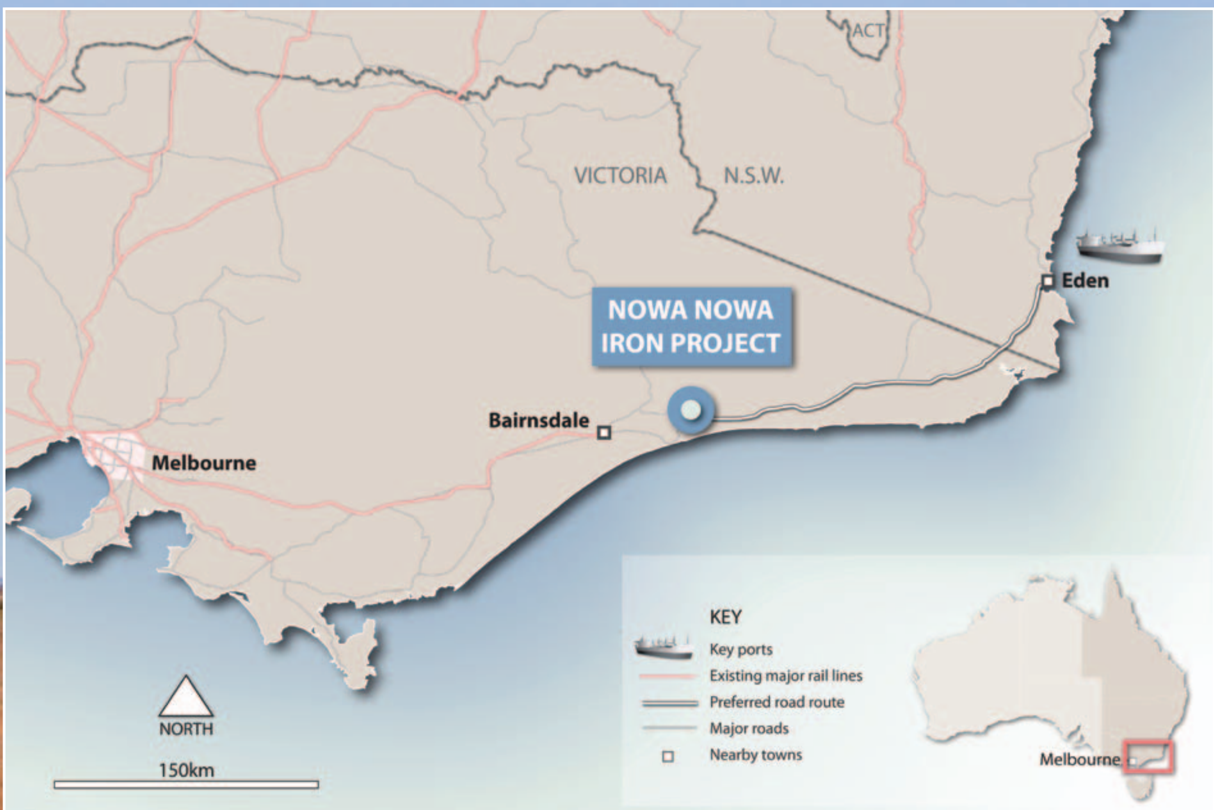


Figure 6 – Eastern Iron Location Map

Eastern Iron compiled all geological data and estimated an Inferred Resource of 9.47Mt at 49.1% Fe over the Five and Seven Mile deposits. The largest deposit, Five Mile, is largely unweathered, with mineralisation consisting predominantly of magnetite with hematite becoming more common at depth. Mineralisation is quite massive and, at a 40% Fe cutoff, there appears to be little internal waste (Figure 7).

Initial metallurgical work completed by Eastern Iron generated encouraging results. Samples crushed to -6.3mm and separated by simple dry LIMS techniques generated good assay results and mass recoveries for the magnetic products, suggesting that the ore is highly amenable to yielding a potentially high value +61% Fe product.

At the end of the year, as part of a mine scoping study, Eastern Iron completed a four core hole programme at the Five and Seven Mile deposits to provide confirmation of the Resource model and additional metallurgical samples. The company appointed an experienced study manager (Engenium) to evaluate options for mining, processing and transport of the product as well as generating capital and operating cost estimates. The company also commissioned a study into product transport options which identified several possible transport options including a facility with Small Panamax Class (approx. 65,000 DWT) near Eden, NSW. The scoping study is planned to be completed later in 2012.

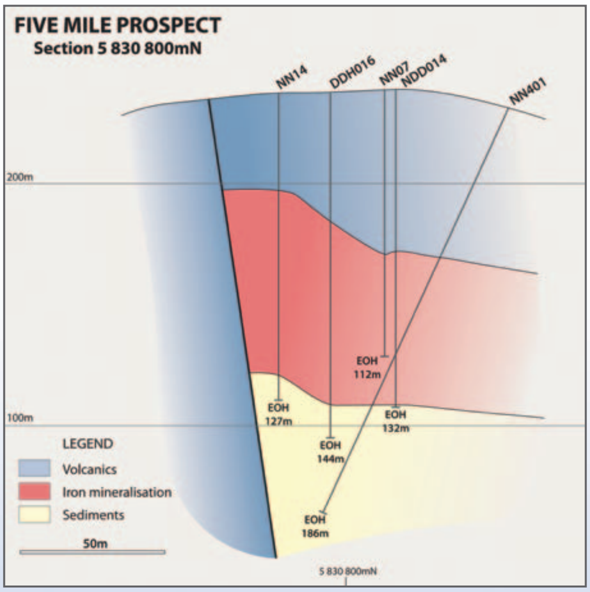


Figure 7 – Five Mile Prospect

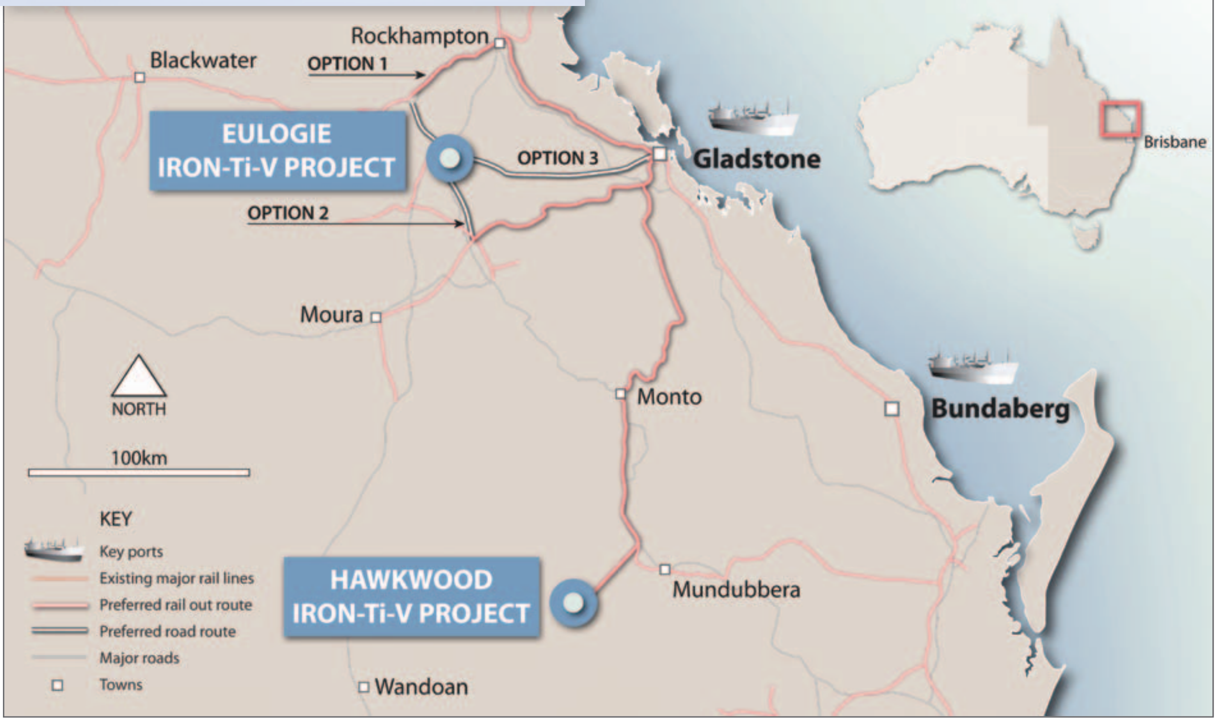


Figure 8 – Central Queensland Location Map

CENTRAL QUEENSLAND IRON PROJECT

Eastern Iron has the rights to significant magnetite iron projects at Hawkwood and Eulogie in central Queensland near the deep water export port of Gladstone. The company is assessing the potential of these projects for the development of a large scale iron export operation in an area already well serviced by existing infrastructure (Figure 8).

Eulogie

At Eulogie (EFE 100%) Eastern Iron completed a 34 hole RC drilling programme covering roughly 35% of the mapped outcrop of the magnetite-bearing ferrigabbro units. The programme successfully defined three main magnetite-bearing units and allowed the company to calculate an initial Resource of 465 million tonnes at 14.2% iron.

Eastern Iron also completed a concept study into a potential development of the resource. The study has indicated that a 20Mt per annum operation, producing 3.2Mt of magnetite concentrate per annum, and exporting via Gladstone Port is feasible with estimated cash costs of $76/t FOB and capital costs of $605 million.

Eastern Iron has approached several parties with a view to securing funding for a mine feasibility study. These discussions are ongoing.

Hawkwood

Eastern Iron drilled the northern extensions of the magnetite-bearing ferrigabbro units and estimated an Inferred Resource estimate of 103.7Mt at 13.8% Fe, 1.83% TiO_2 and 0.05% V.

The Resource was estimated to 200 metres in depth, but only covered a small proportion (approximately 2.5 kilometres) of the interpreted strike projection (at 12 kilometres) of the magnetite-bearing ferrigabbro units. Additional drilling is expected to significantly increase the size of the deposit.

DTR analytical results indicate that concentrate produced from the deposit is notably lower in titanium (1.6% TiO_2) and higher in iron (64.6% Fe) than comparable titaniferous deposits.

To fund the Nowa Nowa scoping study Eastern Iron completed a pro-rata Entitlement Offer whereby shareholders were offered 2 shares for every 3 fully paid ordinary shares at an issue price of $0.055 per new share. A total of 45.9 million new shares were issued raising a total of $2.52 million. PlatSearch took up its full entitlement to the offer with its total shareholding in Eastern Iron now at 45.78%.

SILVER CITY MINERALS

In July 2011 Silver City Minerals (ASX: SCI) successfully completed an IPO, raising $9.8 million to progress exploration over its large area of high quality exploration tenements in the Broken Hill region of western NSW. Within weeks of completing the IPO, Silver City commenced drilling the first of its drill ready targets, with the company reporting encouraging results from a number of prospects, notably from the Allendale lead-zinc-silver prospect.

At Allendale, drilling below and along strike from old mine workings generated strong intersections which has defined a series of steeply east-dipping mineralised lodes that appear to have the potential for near-term resource delineation (Figure 9). Intersections recorded include:

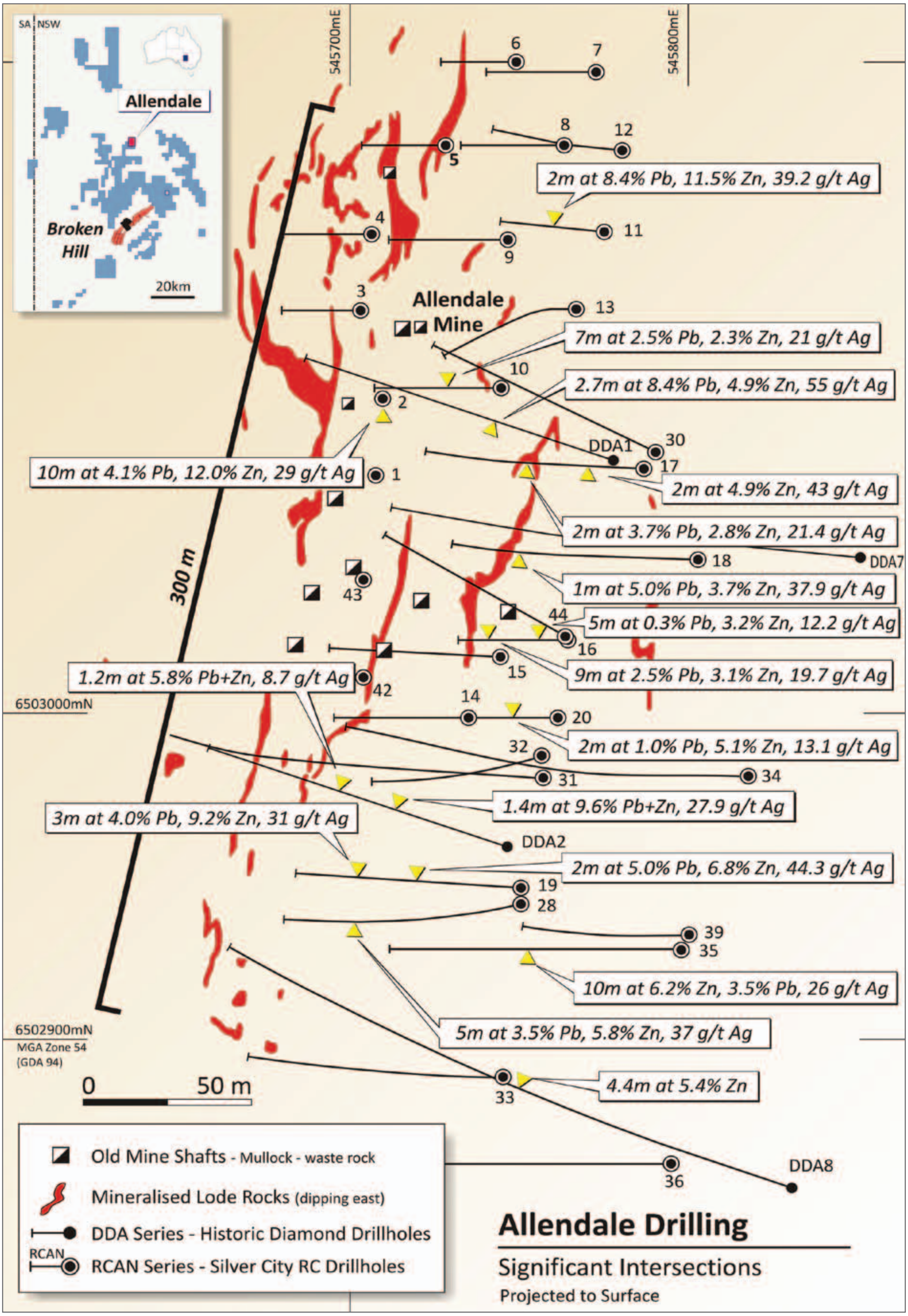


Figure 9 – Drilling at Allendale

- 10 metres at 6.2% zinc, 3.4% lead and 26 g/t silver from 73 metres in drill hole 12AN035
- 10 metres at 4.1% lead and 12.0% zinc and 29.0 g/t silver from 15 metres in drill hole RCAN-002
- 2 metres at 5.0% lead, 6.8% zinc and 44.3 g/t silver from 53 metres and 3 metres at 4.0% lead, 9.2% zinc and 31 g/t silver from 78 metres in drill hole RCAN-019
- 4 metres of 2.8% lead, 3.9% zinc and 20 g/t silver from 61 metres, and 5 metres of 3.5% lead, 5.8% zinc and 37 g/t silver from 85 metres in drill hole RCAN-028

The Silver City drilling combined with historic diamond drill holes has indicated that mineralisation extends for over 300 metres along strike and to a depth of 200 metres. Mineralisation appears to be open down-dip and both north and south.

Razorback West

Silver City completed RAB and RC drilling to test the central section of a large lead, zinc, manganese geochemical anomaly identified by previous auger drilling. This geochemical anomaly, largely hidden beneath a thin veneer of soil and alluvium, may represent the same geological horizon which hosts the large Broken Hill deposit lying 15 kilometres to the south. The RC drilling defined zones up to 50 metres wide of steeply dipping metamorphosed sandstones and siltstones with highly anomalous zinc, manganese, lead and locally silver, which is considered characteristic of rocks which host the Broken Hill ore body. Follow-up is planned.

Silver City also conducted significant drilling programmes at a number of other prospects including Umberumberka, Mt Brown, Maybell, Champion, Yellowstone and Stephens Trig. Follow up work in a number of these areas is planned.

THOMSON RESOURCES

Thomson Resources (ASX: TMZ) continued exploration of its priority base and precious metal targets in the Thomson Fold Belt of north-western NSW and completed the first phase drilling of its bullseye magnetic targets within the Cuttaburra trend. These targets are covered by the margin of the Eromanga Basin and are hosted within rocks believed to be the northern continuation of the Cobar Basin.

Drilling on four prospects (Cuttaburra A, Ac, B, and F3) successfully demonstrated that the magnetic anomalies are associated with large mineralised hydrothermal systems consisting of extensive zones of highly altered (generally silicification plus carbonate and sericite alteration) and veined sediments possibly closely associated with felsic intrusive activity. In each of the prospects zones of pyrrhotite, pyrite, plus base metal sulphides (sphalerite and chalcopyrite: zinc and copper) have been intersected, with highly anomalous copper, zinc, gold, tin, and tungsten values recorded. At the Cuttaburra A prospect, a best intercept of 3.3 metres at 1.46g/t Au, 0.1% Cu, 10.9g/t Ag (including 1 metre at 3.7g/t Au, 0.2% Cu, 29g/t Ag, 0.1% Pb, 0.1% Bi) was recorded.

The results continue to highlight the prospectivity of the region for IRG precious metal and Cobar type base and precious metal deposits.

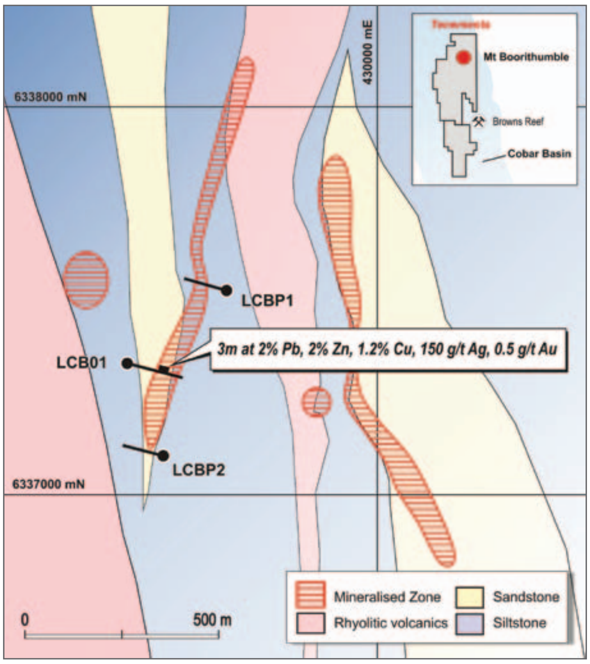


Figure 10 – Mt Boorithumble intersections

As announced in April 2012, Thomson entered into joint venture agreements with PlatSearch to earn up to an 80% interest in two base metal projects in the Cobar region, Ghostrider and Achilles. Both projects are considered high quality and add value to the exploration portfolio of the company. At Achilles, shallow air-core drilling traverses focused on testing outcropping sections of the Mount Boorithumble prospect where previous drilling in 1981 intersected 3 metres at 2% lead, 2% zinc, 1.2% copper, 0.5 g/t gold and 150 g/t silver from 117 metres (Figure 10).

WPG RESOURCES

WPG Resources (ASX code: WPG) returned $10.9 million to PlatSearch in November 2011 following the sale of its South Australian iron assets to Onesteel Limited (now Arrium) for $320 million.

The company completed initial drilling at its Giffen Well iron project which contains Proterozoic BIF-hosted magnetite mineralisation similar to that found at the Hawks Nest deposit. The results of the drilling program to date are encouraging and in line with WPG expectations. A maiden JORC compliant resource estimate for Giffen Well is expected to be released in the September quarter 2012. Preliminary pit design and resource modelling is underway.

WPG's other key projects include the advanced coal project, Penrhyn and the land the company owns at Port Pirie, with approvals and capacity to develop an iron ore receival, storage and load-out facility.

AGUIA RESOURCES LIMITED

Aguia Resources (ASX: AGR) is an exploration company that has acquired interests in substantial phosphate and potash projects in Brazil. Aguia holds interests in three highly prospective and potentially large scale phosphate projects, the Lucena and Mata da Corda Phosphate Projects and the Tres Estradas carbonatite-style phosphate project in Rio Grande do Sul, southern Brazil.

Aguia announced that it was accelerating its efforts at Tres Estradas, a significant new phosphate discovery. In June 2012 Aguia published an initial JORC compliant Inferred Resource for the project and the company has commenced a second stage diamond drilling program to significantly expanding the Resource.

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

The information in this report that relates to Mineral Resources at Nowa Nowa, Eulogie and Hawkwood is based on information compiled by Greg De Ross, BSc, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Greg De Ross is Managing Director and a full-time employee of Eastern Iron Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr De Ross consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Schedule of Tenements

as at 6 September 2012

Tenement	Tenement Number	Interest	Joint Venture Details
NEW SOUTH WALES			
Broken Hill			
Mundi Plains JV	ELs 6404, 7647, 7690, 7625, 7627 and 7414	49%	Teck 40%, UXA 40%
Stephens-Centennial	EL 6132	0%	Notes 1 and 4
Hillston	EL 6363	39.2%	Perilya can earn 80%, Eaglehawk 9.8%
Yanco Glen, Copper King, Big Aller, Mt Robe and Apollyon Valley	ELs 5764, 5919, 6147, 5646 and 6475	0%	Note 5
Iron Bar, Nightrider and Euriowie	ELs 7203, 7228 and 7319	0%	Note 4
Cobar			
Eastern Iron Projects	ELs 6706, 6711, 6952 and 6956	51%	Eastern Iron 49%, Note 3
Ghostrider Project	ELs 7493 – 7495	100%	Thomson can earn 80%
Lachlan Fold Belt			
Woodlawn South	ELs 7257 and 7469	0%	Royalty interest only
Trundle	EL 4512	0%	Royalty interest only
Wyoming West Project	EL 7930	0%	PlatSearch can earn 80%
Achilles and Chiron	ELs 7746 and 7931	100%	Thomson can earn 80%
Bedrock	EL 7401	100%	–
Thurla	EL 6744	0%	PlatSearch can earn 20%, Bemax 100%
New England			
Kempsey Porphyry	EL 6813	100%	–
SOUTH AUSTRALIA			
Callabonna	EL 4939	100%	Red Metal can earn 70%
Kalabity	EL 4461	80%	Crossland can earn 60%, Eaglehawk 20%
Junction Dam	EL 4509	39.2%	Teck 51%, Eaglehawk 9.8%, UXA can earn 80%, Marmota 87.3% in uranium rights only
Quinyambie	EL 4289	52.6%	Red Metal can earn 70%, Note 2
Frome	EL 3952	90%	Allender 10%
Wynbring	EL 4403	100%	Bemax can earn 50%
Officer Basin Project	ELAs 2007/246-247 and 2007/286-287	50%	Crossland 50%

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

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

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

Note 3: Eastern Iron Limited (EFE) is currently owned 45.78% by PlatSearch and PlatSearch holds options in EFE. EFE holds (100%) ELs 6710, 6671, 6672, 6952, 6953, 6957-6962, 7282, 7283, 4509, EPMs 18566 and 18533 and EPCs 2175 and 2206. EFE is also earning an interest in EPMs 15289 and 17099.

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

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

Summary of Joint Ventures

as at 6 September 2012

Callabonna – EL 4939, SA

PlatSearch 100%. Red Metal can earn a 51% interest by spending $1 million and a 70% interest by spending $3 million. PlatSearch then can contribute with 30% or reduce to a 15% interest, carried to completion of a BFS and repayable from PlatSearch's share of net proceeds of mine production.

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

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

Frome – EL 3952, SA

PlatSearch is the manager of the JV. PlatSearch 90% and Allender 10%.

Hillston – EL 6363, NSW

PlatSearch 39.2% and Eaglehawk 9.8%, Perilya 51%. Perilya can earn an 80% interest in this tenement by completing expenditure of $1.5 million. PlatSearch and Eaglehawk can then each participate with their respective interests of 16% and 4% or convert to a 10% and 2.5% free-carried interest to completion of a BFS. On completion of a BFS, PlatSearch and Eaglehawk can participate or convert their interests to a NSR royalty.

Junction Dam – EL 4509, SA

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

Marmota Energy Limited has earned a 87.3% interest in the uranium rights only, PlatSearch 4.98%, Teck 6.47% and Eaglehawk 1.25%. Marmota is sole funding exploration and the other parties are diluting to a point where they will be entitled to receive a royalty of 5% Net Profits on production from a Uranium mine on the tenement.

Kalabity – EL 4461, SA

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

Euriowie – EL 7319, **Ironbar** – EL 7203, **Nightrider** – EL 7228, **Yanco Glen** – EL 5764, **Copper King** – EL 5919, **Big Aller** – EL 6147, **Mt Robe** – EL 5646, **Apollyon Valley** – EL 6475 and **Stephens-Centennial** – EL 6132, NSW

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

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

PlatSearch 20%, Teck Australia 40% and UXA 40% with UXA earning up to an 80% interest. When UXA has earned 80%, Teck's interest will be 0% and PlatSearch can participate with a 20% interest or dilute to a NSR royalty.

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

PlatSearch 50% and Crossland Uranium Mines 50%.

Quinyambie – EL 4289, SA

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

Thurla – EL 6477, NSW

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

Trundle – EL 4512, NSW

PlatSearch holds a NSR royalty interest.

Woodlawn South – ELs 7257 and 7469, NSW

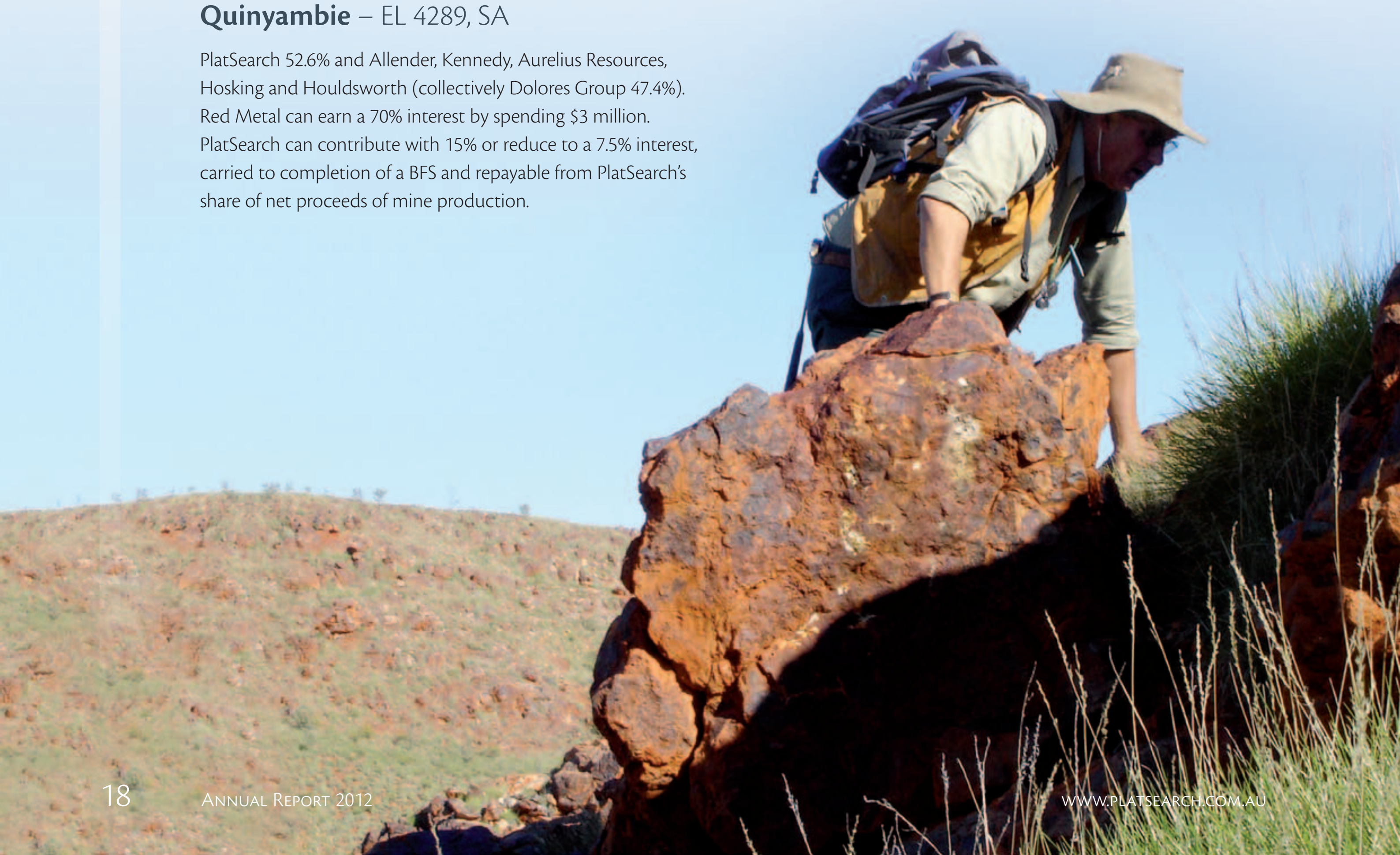
PlatSearch holds a NSR royalty interest.

Wyoming West JV – EL 7930, NSW

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

Wynbring – EL 4403, SA

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



Directors' Report

Your directors submit their report for the year ended 30 June 2012.

DIRECTORS

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

Patrick Elliott, *BCom, MBA, CPA*
Chairman

Patrick was appointed a Director of the Company on 22 December 2008 and is a company director specialising in the resources sector with 40 years' experience in investment and corporate management. His early career was at Consolidated Gold Fields Australia Limited and covered investment analysis and management, minerals marketing (copper, tin, rutile and zircon). In 1979 he went into investment banking and became Head of Corporate Finance for Morgan Grenfell Australia Limited in 1982. Patrick subsequently became Managing Director of Natcorp Investments Ltd in 1986 which owned a number of manufacturing businesses. After its takeover he became an active early stage venture capital investor with an emphasis on resources.

Patrick is Chairman of Argonaut Resources NL and a Director of Cap-XX Limited (Australian company listed on AIM). He is also a director of a number of privately owned companies.

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

- Argonaut Resources NL – appointed June 2003
- Australia Oriental Minerals NL – appointed November 1998, resigned May 2012
- MIL Resources Ltd – appointed 1980, resigned July 2011
- Crossland Uranium Mines Limited – appointed May 2003, resigned May 2011
- Global Geoscience Limited – appointed April 2003
- Cuesta Coal Limited – appointed October 2011

Gregory Jones, *BSc (Hons 1) (UTS), MAusIMM*
Managing director

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

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

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

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

Kwan Chee Seng
Non-executive director

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

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

Dr Foo Fatt Kah, *MB, BCh, BAO, MBA*
Non-executive director

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

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

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

Alan Breen, *HNDip Extraction Metallurgy, MBA*
Non-executive director

Alan was appointed as a non-executive director on 6 October 2011. Alan is a metallurgist and with over 35 years operational and executive management experience across a diverse range of commodities in Australasia, Europe and Africa. Alan held senior and executive management roles with Xstrata, Rio Tinto Aluminium and, more recently, at Ok Tedi Mining where he held the position of Managing Director for 4 years.

Alan has previously held Director positions with Britannia Refined Metals Limited, Brittannia Recycling Limited, MIM Holdings (UK) Ltd and Ok Tedi Mining Limited.

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

- Ok Tedi Mining Limited

Kantilal Champaklal
Alternate director to Kwan Chee Seng

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

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

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

Directors	Shares directly and indirectly held	Options directly and indirectly held
P Elliott	2,352,345	1,600,000
G Jones	2,200,000	6,300,000
C S Kwan	50,625,425	2,000,000
F K Foo	1,403,000	1,600,000
A Breen	–	1,000,000
K Champaklal	–	1,000,000

COMPANY SECRETARY

Ivo Polovineo, *FIPA*

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

PRINCIPAL ACTIVITIES

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

RESULTS

The net result of operations of the consolidated entity after applicable income tax was a profit of $1,857,074 (2011: $2,996,675) which includes the write-off of exploration expenditure during the year of $1,436,789 (2011: $792,730).

DIVIDENDS

No dividends were paid or proposed during the year.

REVIEW OF OPERATIONS

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

- Investments where the Company participated in a rights issue in July 2012 by investing $1.16 million in Eastern Iron Limited to take its shareholding to 57.17% to raise funds to complete a mine scoping study over Eastern Iron's advanced Nowa Nowa iron project in eastern Victoria.
- Almost six times return on capital from WPG Resources where WPG returned $10.9 million to PlatSearch in early November 2011 following the sale of WPG's South Australian iron assets to Onesteel Limited.
- In July 2011 Silver City Minerals successfully completed an IPO, raising $9.8 million to progress exploration over its large tenement holding in the Broken Hill region of western NSW. PlatSearch's shareholding in Silver City is 14.6% of the company as well as holding options.
- PlatSearch incorporated an EU registered company, Variscan Mines SAS, and opened an office in France with a team of experienced European geologists. The Company is progressing further evaluation and acquisition work to acquire quality advanced projects in this region.
- PlatSearch, through its wholly owned subsidiary Variscan, signed a Memorandum of Understanding with ERAMET to assist in the development and construction of new projects in Europe.

- Eleven farm-ins and joint ventures were in place by year end as follows:
  1. Junction Dam uranium joint venture (Broken Hill region) where Marmota Energy Ltd can earn up to 95% interest in the Tertiary uranium rights.
  2. Mundi Plains and Junction Dam joint venture (Broken Hill region) with UXA Resources Ltd earning up to 80% interest in the projects.
  3. Quinyambie and Callabonna joint venture (South Australia) with Red Metal Ltd earning up to an 80% interest.
  4. Hillston joint venture (Broken Hill region) where Perilya Limited can earn up to an 80% interest.
  5. Wyoming West joint venture where PlatSearch can earn up to a 75% interest in the copper/gold project east of Wyoming / Caloma from Raptor Minerals Limited.
  6. Kalabity uranium joint venture where Crosslands Uranium Mines Ltd can earn up to a 60% interest in the property (PTS at 20%).
  7. Wynbring, SA where Bemax Resources Ltd can earn up to an 80% interest in the heavy mineral sands rights within the project area.
  8. Thurla, NSW where PlatSearch can earn a 20% interest by providing Bemax with services to the value of $100,000 within four years.
  9. The Eastern CID iron project joint venture where PTS has a 51% interest in channel iron deposits east of Cobar NSW.
  10. Ghostrider Project joint venture and Achilles and Chiron Projects joint venture with Thomson Resources Ltd, where Thomson can earn an 80% interest.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2012 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years, other than:

- In July 2012 PlatSearch NL contributed to Eastern Iron's 2 for 3 pro-rata non-renounceable Entitlement Offer whereby PlatSearch purchased 21,000,000 shares in Eastern Iron at $0.055 which brought PlatSearch's shareholding in Eastern Iron to 57.17%.
- On 26 September 2012 Eastern Iron Limited issued 22,843,106 ordinary shares at $0.055 per share for a total cash consideration of $1,256,371. These shares were Shortfall Shares issued pursuant to clause 2.3 of the Replacement Entitlement Offer Prospectus dated 8 June 2012 and in accordance with ASX Listing Rule 7.2 Exception 3.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

Insurance premiums

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

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

ENVIRONMENTAL PERFORMANCE

PlatSearch and Eastern Iron holds exploration licences issued by New South Wales Department of Trade and Investment – Resources and Energy, the Victorian Department of Primary Industries and the Queensland Department of Resources and Mines 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 Departments' guidelines and standards. There have been no significant known breaches of the licence conditions.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

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

No. shares under option	Class of share	Exercise price of option	Expiry date of options
900,000	Ord	$0.14	9 Feb 2014
9,590,000	Ord	$0.18	27 Nov 2014
1,500,000	Ord	$0.18	27 Nov 2014
10,900,000	Ord	$0.30	25 Nov 2015
1,000,000	Ord	$0.25	6 Oct 2014
23,890,000			

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

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

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

REMUNERATION REPORT (AUDITED)

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

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

Details of key management personnel

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

Directors

Patrick Elliott	Chairman (Non-Executive)
Gregory Jones	Managing Director
Kwan Chee Seng	Non-Executive Director
Dr Foo Fatt Kah	Non-Executive Director
Alan Breen	Non-Executive Director
Kantilal Champaklal	Alternate director for Kwan Chee Seng
Ivo Polovineo	Company Secretary
Wendy Corbett	Managing Geologist
Chris Hosie	Exploration Manager
Michelle Lilley	Financial Controller
Nigel Maund	Business Development Manager
Greg De Ross	Managing Director of Subsidiary – Eastern Iron Limited

Remuneration philosophy

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

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

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

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

Non-executive directors remuneration arrangements

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

The Chairman's fee is set at $50,000 p.a. and NED fees at $36,000 p.a. which are consistent with industry average fees. At present, no Committee fees are paid to Directors.

Service agreements

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

Managing Director – Greg Jones

- *Contract term:* No fixed term. Either party may terminate the letter of employment with one months' notice.
- *Remuneration:* $250,000 p.a. as at 30 June 2012 to be reviewed annually
- *Termination payments:* A 3 month severance pay with an additional 3 months after more than five years.

Company Secretary – Ivo Polovineo

- *Contract term:* Commenced 1 August 2011. 12 month rolling contract. Either party may terminate the contract with one months' notice.
- *Remuneration:* $1,262.50 per day plus GST as at 30 June 2012.
- *Termination payments:* Nil.

Exploration Manager – Chris Hosie

- *Contract term:* No fixed term, employment commenced 21 March 2011. Either party may terminate the contract with one month's notice. Chris Hosie resigned from PlatSearch NL on 30 April 2012 and became an employee of Eastern Iron on 1 May 2012.

- *Remuneration:* $152,600 p.a. as at 30 June 2012 to be reviewed annually.
- *Termination payments:* A 3 month severance pay with an additional 3 months' after more than five years.

Managing Geologist – Wendy Corbett

- *Contract term:* Rolling contract. Either party may terminate the agreement with one month's notice.
- *Remuneration:* $104 per hour plus GST for consultancy services as at 30 June 2012.
- *Termination payments:* Nil.

Financial Controller – Michelle Lilley

- *Contract term:* No fixed term. Either party may terminate the agreement with one month's notice.
- *Remuneration:* $89 per hour as at 30 June 2012.
- *Termination payments:* A 1 month severance pay with an additional 2 months after more than five years.

Business Development Manager – Nigel Maund

- *Contract term:* No fixed term. Either party may terminate the letter of employment with one month's notice.
- *Remuneration:* $220,000 p.a. as at 30 June 2012 to be reviewed annually.
- *Termination payments:* A 3 month severance pay with an additional 3 months after more than five years.

Managing Director (Eastern Iron) – Greg De Ross

- *Contract term:* No fixed term. Either party may terminate the letter of employment with two months' notice.
- *Remuneration:* $273,000 p.a. as at 30 June 2012 to be reviewed annually.
- *Termination payments:* A 3 month severance pay with an additional 3 months after more than five years.

Directors and KMP remuneration (consolidated) for the year ended 30 June 2012

	Short-term benefits		Post employment	Share-based payments		
	Cash salary and fees $	Consulting fees $	Superannuation $	Options $	Total $	Consisting of options %
Directors						
P Elliott	40,388	–	–	–	**40,388**	0%
G Jones	229,358	36,330	23,912	9,645	**299,245**	3%
C S Kwan	29,888	–	–	–	**29,888**	0%
F K Foo	29,888	–	–	–	**29,888**	0%
A Breen	24,325	–	1,694	45,200	**71,219**	63%
K Champaklal	–	–	–	–	–	0%
Total Directors	353,847	36,330	25,606	54,845	470,628	
Other key management personnel						
I Polovineo	–	96,517	1,651	28,935	**127,103**	23%
W Corbett	–	130,450	3,542	9,645	**143,637**	7%
C Hosie	116,667	–	10,500	–	**127,167**	0%
M Lilley	82,895	35,419	7,461	–	**125,775**	0%
N Maund	201,835	–	18,165	–	**220,000**	0%
G De Ross	250,459	–	22,541	38,580	**311,580**	12%
Other KMP	651,856	262,386	63,860	77,160	**1,055,262**	
Totals	1,005,703	298,716	89,466	132,005	1,525,890	

Directors and KMP remuneration (consolidated) for the year ended 30 June 2011

	Short-term benefits		Post employment	Share-based payments		
	Cash salary and fees $	Consulting fees $	Superannuation $	Options $	Total $	Consisting of options %
Directors						
P Elliott	12,265	–	–	30,000	**42,265**	71%
G Jones	229,358	27,000	20,642	135,850	**412,850**	33%
C S Kwan	11,550	–	–	100,000	**111,550**	90%
F K Foo	11,550	–	–	30,000	**41,550**	72%
R Waring	–	50,016	–	37,500	**87,516**	43%
R Richardson	–	4,406	–	–	**4,406**	–
K Champaklal	–	–	–	–	**–**	–
Total Directors	**264,723**	**81,422**	**20,642**	**333,350**	**700,137**	
Other key management personnel						
Polovineo	–	47,950	–	39,780	**87,730**	45%
P Buckley	83,181	18,266	7,486	20,850	**129,783**	16%
C Hosie	39,846	–	3,586	23,205	**66,637**	35%
W Corbett	–	101,888	–	44,850	**146,738**	31%
M Lilley	–	105,183	–	49,425	**154,608**	32%
N Maund	201,835	–	18,165	51,471	**271,471**	19%
G De Ross	238,532	–	21,468	28,480	**288,480**	10%
Other KMP	563,394	273,287	50,705	258,061	**1,145,447**	
Totals	**828,117**	**354,709**	**71,347**	**591,411**	**1,845,584**	

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

The following options were granted during the financial year.

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

	Grant date	Granted No.	Vested No.	Vested %	Value of options granted at the grant date (Note 19) $	Options exercised No.	Value of options exercised at the exercise date $	Value of options lapsed at the date of lapse $
2012								
P Elliott	–	–	–	–	–	–	–	–
G Jones		–	–	–	–	–	–	–
C S Kwan	–	–	–	–	–	–	–	–
F K Foo	–					–	–	–
A Breen	29 Nov 11	1,000,000	1,000,000	100	45,200	–	–	–
K Champaklal	–	–	–	–	–	–	–	–
I Polovineo	–	–	–	–	–	–	–	–
W Corbett	–	–	–	–	–	–	–	–
M Lilley	–	–	–	–	–	–	–	–
N Maund	–	–	–	–	–	–	–	–
G De Ross	–	–	–	–	–	–	–	–

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

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

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

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

Directors' Benefits, Emoluments and Share Options

During its annual budget review the Board reviews the Directors' Emoluments. Remuneration levels, including participation in the Company's ESOP, are set to provide reasonable compensation in line with the Company's limited financial resources. During the year no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in Note 22 of the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Due to the difficulty in the measurement of performance using quantitative indicators in the mineral exploration industry, there is no formal link between financial performance of the group and remuneration levels.

There is no retirement scheme for Non-Executive Directors.

MEETINGS OF DIRECTORS

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

	Board of directors		Remuneration committee		Audit committee	
	Held	Attended	Held	Attended	Held	Attended
Directors						
P Elliott	3	3	1	1	2	2
G Jones	3	3	1	1	2	2
C S Kwan	3	3	1	1	–	–
F K Foo	3	3	–	–	2	2
A Breen (appointed 06/10/11)	2	2	–	–	–	–

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of PlatSearch NL for the year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of PlatSearch NL and the entities it controlled during the year.

M D Muller
Partner

Sydney
24 September 2012

NON-AUDIT SERVICES

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

HLB Mann Judd received or is due to receive the following amounts for the provision of non-audit services:

- Tax services $11,000

Signed at Sydney this 28th day of September 2012 in accordance with a resolution of the Directors.

Greg Jones
Managing Director

Corporate Governance

The Board has adopted a corporate framework for the Company which is underpinned by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition) ("the Recommendations") applicable to ASX-listed entities.

This Section addresses each of the Corporate Governance Principles and, where the Company has not followed a Recommendation, this is identified with the reasons for not following the Recommendation.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 – Functions reserved to the board and delegated to senior executives

The Company has established functions reserved to the Board and functions delegated to senior executives.

The functions reserved to the Board include:

1. oversight of the Company, including its control and accountability systems;
2. appointing and removing the Managing Director (MD) (or equivalent), including approving remuneration of the MD and the remuneration policy and succession plans for the MD;
3. ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer (or equivalent) and the Secretary;
4. input into the final approval of management's development of corporate strategy and performance objectives;
5. reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
6. monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
7. approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
8. approving and monitoring financial and other reporting;
9. appointment and composition of committees of the Board;
10. on recommendation of the Audit Committee, appointment of external auditors; and
11. on recommendation of the Nomination and Remuneration Committee, initiating Board and director evaluation.

The functions delegated to senior executives include:

1. implementing the Company's vision, values and business plan;
2. managing the business to agreed capital and operating expenditure budgets;
3. identifying and exploring opportunities to build and sustain the business;
4. allocating resources to achieve the desired business outcomes;
5. sharing knowledge and experience to enhance success;
6. facilitating and monitoring the potential and career development of the Company's people resources;
7. identifying and mitigating areas of risk within the business;
8. managing effectively the internal and external stakeholder relationships and engagement strategies;
9. sharing information and making decisions across functional areas;
10. determining the senior executives' position on strategic and operational issues; and
11. determining the senior executives' position on matters that will be referred to the Board.

Recommendation 1.2 – Performance evaluation of senior executives

The Board reviews the performance of the Managing Director and executives to ensure they execute the Company's strategy through the efficient and effective implementation of the business objectives. The Managing Director and executives are assessed against the performance of the Company and individual performance.

Recommendation 1.3 – Performance evaluation of senior executives during the financial year

During the financial year ended 30 June 2012 a performance evaluation of the Managing Director and senior executives was carried out in accordance with the guide to reporting on Principle I.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 – A majority of the Board should be independent Directors

Recommendation 2.1 requires a majority of the Board to be independent directors. The Corporate Governance Council defines independence as being free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgement.

The Board has a majority of independent directors. In accordance with the definition in Recommendation 2.1 above the Board has determined that Messrs Elliott, Foo and Breen are independent. Mr Jones is the managing director of the company and Mr Kwan is a substantial shareholder and accordingly Mr Jones and Mr Kwan are not considered by the Board to be independent directors as defined in Recommendation 2.1.

Recommendation 2.2 – The chair should be an independent director

The Company's chairman, Mr Elliott, is an independent director as defined under Recommendation 2.1.

Recommendation 2.3 – The roles of chair and managing director should be separated

The roles of the Chairman and the Managing Director are not exercised by the same individual. The Board charter summarises the roles and responsibilities of the Chairman, Mr Elliott and the Managing Director, Mr Jones.

Recommendation 2.4 – Nomination Committee

The Board has established a Nomination and Remuneration Committee. A copy of the charter of the Nomination and Remuneration Committee is available on the Company's website.

Recommendation 2.5 – Process for evaluating the performance of the Board

In accordance with the charter of the Nomination and Remuneration Committee, the Committee is responsible for the:

1. annual evaluation and review of the performance of the Board against both measurable and qualitative indicators established by the Committee;
2. evaluation and review of the performance of individual directors against both measurable and qualitative indicators established by the Committee;
3. review of and making of recommendations on the size and structure of the Board; and
4. review of the effectiveness and programme of Board meetings.

Recommendation 2.6 – Additional information concerning the Board and Directors

1. The skills and experience of each Director is set out in the Directors section of the Director's Report.
2. The period of office of each Director is as follows:

Name	Term in office
P Elliott	3.5 years
G Jones	3.5 years
C Kwan	3.3 years
K Foo	2.7 years
A Breen	9 months

3. The reasons why Messrs Elliott, Foo and Breen are considered to be independent Directors are disclosed in relation to Recommendation 2.1.
4. There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the company's expense.
5. Details of the names of members of the nomination and remuneration committee are disclosed in relation to Recommendation 2.4 and attendances at meetings are set out in the Directors Meetings section of the Director's Report.
6. An evaluation of the performance of the Board, its committees and individual Directors took place during the financial year. That evaluation was in accordance with the process disclosed.
7. The Nomination and Remuneration Committee is responsible for providing the Board with advice and recommendations regarding the ongoing development of:
   (a) a plan for identifying, assessing and enhancing director competencies; and
   (b) a succession plan that is designed to ensure that an appropriate balance of skills, experience and expertise is maintained on the Board.

   The charter of the Nomination and Remuneration Committee requires that prior to identifying an individual for nomination for directorship, the Committee must evaluate the range of skills, experience and expertise currently existing on the Board to ensure that the Committee identifies the particular diverse skills, experience and expertise that will most effectively complement the Board's current composition. If a new candidate is approved by the Nomination and Remuneration Committee, the appointment of that new candidate is ultimately subject to shareholder approval in accordance with the Corporations Act 2001 and the Company's Constitution.

Further details are set out in the charter of the Nomination and Remuneration Committee. A copy of the charter of the Nomination and Remuneration Committee is available on the Company's website.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Recommendation 3.1 – Code of Conduct

The Company has established a code of conduct as to the:

1. practices necessary to maintain confidence in the Company's integrity;
2. practices necessary to take into account the Company's legal obligations and the expectations of stakeholders; and
3. responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A copy of the code of conduct is available on the Company's website.

Recommendation 3.2 – Diversity Policy

The Company has established a policy concerning diversity. The Company recognises the need to set diversity measures in each of its operating locations taking into account the differing diversity issues within each geographic location in which it operates.

A copy of the diversity policy is available from the Company's website. The policy includes requirements for the Board, at the appropriate stage of its development, to establish measurable objectives for achieving gender diversity and, once established, for the Board to assess annually both the objectives and progress in achieving them.

Recommendation 3.3 – Measurable Objectives for Achieving Gender Diversity

Due to the size of the Company and its workforce the Board does not consider it appropriate to set measurable objectives at this time.

The Company intends to establish measurable objectives at the appropriate stage of its development.

Recommendation 3.4 – Proportion of Women Employees

Refer Recommendation 3.3 above.

At the date of this report the Company has 6 equivalent full time employees (including the Managing Director) of which 2 are females representing 33.3%. All of the employees are defined as senior management.

The Board comprises of five directors all of which are male.

Recommendation 3.5 – Documents on Company website

Copies of the Code of Conduct and the Diversity Policy are available from the Company's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1 – Audit Committee

The Company has established an Audit Committee.

Recommendation 4.2 – Structure of the Audit Committee

The Company's Audit Committee does not comply with all of the requirements of Recommendation 4.2. Details are as follows:

1. The Audit Committee consists of two independent non-executive directors and the Managing Director. The members of the Audit Committee are Messrs Elliott, Foo and Jones.
2. Mr Jones, the Managing Director is not considered to be an independent director for the reasons given under Recommendation 2.1.
3. The Audit Committee is chaired by Mr Foo, who is an independent director and not the Chairman of the Board.
4. The Audit Committee has three members.

Although not all of the members of the Audit Committee are independent the Board has nevertheless determined that the composition of the Audit Committee represents the only practical mix of directors that have an appropriate range of qualifications and expertise and that can understand and competently deal with current and emerging relevant business issues.

Recommendation 4.3 – Audit Committee Charter

The Company has adopted an Audit Committee charter which sets out its role, responsibilities and membership requirements and reflects the matters set out in the commentary and guidance for Recommendation 4.3.

Recommendation 4.4 – Additional information concerning the Audit Committee

The skills and experience of each member of the Audit Committee and the number of Audit Committee meetings attended by each member is set out in the Director's Report.

In accordance with the guide to reporting on Principle 4, the Company's Audit Committee charter is available on the Company's website.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 – ASX Listing Rule Disclosure Requirements

The Company has established a Continuous Disclosure Policy which sets out the key obligations of directors and employees in relation to continuous disclosure as well as the Company's obligations under the Listing Rules and the Corporations Act. The policy also provides procedures for internal notification and external disclosures, as well as procedures for promoting understanding of compliance with disclosure requirements.

The policy reflects the matters set out in the commentary and guidance for Recommendation 5.1.

Recommendation 5.2 – Continuous Disclosure Policy

There were no departures from Recommendation 5.1 during the financial year.

A copy of the Company's Continuous Disclosure Policy is available on the Company's website.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1 – Shareholder Communications Policy

The Company has adopted a shareholder communications policy for:

1. promoting effective communication with shareholders; and
2. encouraging shareholder participation at annual and other general meetings.

A copy of the Company's shareholder communications policy is available on the Company's website.

Recommendation 6.2 – Availability of Shareholder Communications Policy

A copy of the Company's shareholder communications policy is available on the Company's website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1 – Risk Management Policies

The Company has established policies for the oversight and management of its material business risks as follows:

1. The Audit Committee oversees financial risks pursuant to the Audit Committee charter. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.
2. The finance department of the Company manages financial risks.
3. A Risk Committee will oversee the Company's other material business risks.

Recommendation 7.2 – Risk Management and Internal Control System

The Company is in process of developing a risk management framework which will be supported by the Board of directors and management.

The Board has required management to design and implement a risk management and internal control system to manage the Company's business risks.

The Board has required management to report to it on whether those risks are being managed effectively.

Recommendation 7.3 – Statement from the Chief Executive Officer and the Chief Financial Officer

When considering the Audit Committee's review of financial reports the Board will receive a signed statement declaration in accordance with section 295A of the Corporations Act. This statement will also confirm whether the Company's financial reports are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial risks.

Similarly, in a separate written statement the Chief Executive Officer and the Chairman of the Audit Committee will also confirm to the Board whether the Company's risk management and internal control, and that the system is operating effectively in all material respects in relation to financial risks and that nothing has occurred since period-end that would materially change the position.

Recommendation 7.4 – Additional information concerning Risk Management

The Board has received the report from management under Recommendation 7.2 and the Board has received assurance from the managing director and the chief financial officer under Recommendation 7.3.

The Company is in the process of developing a Risk Committee charter together with a risk management framework.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 – Remuneration Committee

The Company has established a Nomination and Remuneration Committee which has delegated responsibilities in relation to the Company's remuneration policies as set out in the Company's Nomination and Remuneration Committee charter. The charter reflects the matters set out in the commentary and guidance for Recommendation 8.1.

Recommendation 8.2 – Remuneration of Executive Directors, Executives and Non-Executive Directors

The Company complies with Recommendation 8.2 by clearly distinguishing the structure of non-executive directors' remuneration from that of executive directors and senior executives. The commentary that follows each Recommendation does not form part of the Recommendation. Remuneration for non-executive directors is fixed. Total remuneration for all non-executive directors voted by shareholders at the Annual General Meeting held in November 2010 is not to exceed $250,000 per annum.

Neither the non-executive directors nor the executives of the Company receive any retirement benefits, other than superannuation.

Recommendation 8.3 – Additional information concerning Remuneration

The skills and experience of each member of the Nomination and Remuneration Committee and the number of Committee meetings attended by each member is set out in the Director's Report.

A copy of the Company's Nomination and Remuneration Committee charter is available on the Company's website.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	2012 $	2011 $
Revenue and other income	3	7,753,715	7,881,310
ASX and ASIC fees		(54,984)	(51,808)
Auditors' remuneration		(85,985)	(106,635)
Contract admin/geological services		(183,614)	(311,854)
Depreciation expense	13	(84,821)	(27,575)
Directors' fees		(327,194)	(163,977)
Exploration expenditure written–off	14	(1,436,789)	(792,730)
Impairment of investment		(737,096)	–
Interest on convertible note	17	(495,236)	(276,111)
Loss on options – mark to market		(1,212,525)	(412,800)
Operating lease rental expense		(105,149)	(91,096)
Employee costs net of on–costs recharged to exploration projects		(1,273,331)	(1,026,635)
Share of net losses of associate accounted for by the equity method	9	(366,079)	(35,079)
Share registry costs		(40,375)	(35,749)
Share–based compensation		(167,477)	(698,011)
Singapore listing costs		–	(227,830)
Other expenses		(529,430)	(421,658)
Gain/(loss) before income tax expense		**653,630**	**3,201,762**
Income tax benefit/(expense)	4	1,203,444	(205,087)
Profit after tax		**1,857,074**	**2,996,675**
Other comprehensive income/(loss)			
Net fair value gains/(losses) on available–for–sale financial assets		(5,216,783)	1,978,851
Transferred realised gains to other income		–	(779,142)
Income tax on items of other comprehensive income/(loss)		819,424	(359,913)
Other comprehensive income/(loss) for the period, net of tax		**(4,397,359)**	**839,796**
Total comprehensive income/(loss) for the period		**(2,540,285)**	**3,836,471**
Profit/(loss) for the period is attributable to:			
Non–controlling interests		(503,959)	(489,326)
Owners of the parent		2,361,033	3,486,001
		1,857,074	**2,996,675**
Total comprehensive income/(loss) for the period is attributable to:			
Non–controlling interests		(503,959)	(489,326)
Owners of the parent		(2,036,326)	4,325,797
		(2,540,285)	**3,836,471**
Earnings per share			
Basic Earnings per share (cents per share)	21	1.35	1.99
Diluted Earnings per share (cents per share)	21	1.35	1.99

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

Consolidated Statement of Financial Position

As at 30 June 2012

	Note	2012 $	2011 $
Assets			
Current assets			
Cash and cash equivalents	6	12,373,509	6,887,732
Receivables	7	172,661	222,340
Tenement security deposits	12	–	12,500
Total current assets		12,546,170	7,122,572
Non–current assets			
Investments – available for sale	8	2,069,171	11,381,595
Investment in associates	9	900,000	1,805,426
Derivative financial instruments	11	143,036	1,398,060
Receivables		9,039	–
Tenement security deposits	12	248,350	235,850
Property, plant and equipment	13	294,202	221,014
Deferred exploration and evaluation expenditure	14	5,096,763	3,125,172
Deferred tax asset	4	1,457,868	–
Total non–current assets		10,218,429	18,167,117
Total assets		22,764,599	25,289,689
Liabilities			
Current liabilities			
Trade and other payables	15	456,081	544,662
Provisions	16	93,961	55,854
Total current liabilities		550,042	600,516
Non–current liabilities			
Provisions	16	44,861	17,555
Deferred tax liability	4	–	565,000
Derivative liability	17	907	300,475
Convertible note	17	1,246,345	951,109
Total non–current liabilities		1,292,113	1,834,139
Total liabilities		1,842,155	2,434,655
Net assets		20,922,444	22,855,034
Equity			
Equity attributable to equity holders of the parent			
Contributed equity	18	14,515,132	14,515,132
Reserves	20	2,837,018	7,212,455
Accumulated losses		(1,849,638)	(4,210,671)
Parent interests		15,502,512	17,516,916
Non–controlling interests	10	5,419,932	5,338,118
Total equity		20,922,444	22,855,034

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2012

	Note	2012 $	2011 $
Cash flows from operating activities			
Payment to suppliers and employees		(2,558,905)	(2,220,921)
Consultancy fees received and rental income		257,524	240,014
R&D tax offset		–	266,973
Interest received		625,968	309,205
Net cash flows used in operating activities	29	**(1,675,413)**	**(1,404,729)**
Cash flows from investing activities			
Purchase of plant and equipment		(181,817)	(180,875)
Purchase of mining tenements		(100,000)	–
Expenditure on mining interests (exploration)		(2,884,833)	(1,692,168)
Purchase of equity investments		(400,751)	(1,236,120)
Proceeds of sale of shares		–	3,292,702
Capital component of WPG distribution		4,371,292	–
Dividend received (WPG distribution)		6,556,937	–
Tenement security deposits & bank guarantees (paid)/recovered		(2,662)	27,500
Net cash flows from investing activities		**7,358,166**	**211,039**
Cash flows from financing activities			
Proceeds from issue of shares		–	1,056,890
Share application monies received		19,278	–
Payment of share issue costs		(3,200)	–
Proceeds from convertible note		–	2,500,000
Convertible note costs		(200,000)	(219,589)
Net cash flows (used in)/from financing activities		**(183,922)**	**3,337,301**
Net increase in cash and cash equivalents		**5,498,831**	**2,143,611**
Net foreign exchange differences		(13,054)	(13,126)
Cash and cash equivalents at beginning of period		6,887,732	4,757,247
Cash and cash equivalents at end of period	29	**12,373,509**	**6,887,732**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2012

	Note	Contributed equity $	Accumulated losses $	Reserves $	Non-controlling interest $	Total equity $
CONSOLIDATED						
At 1 July 2010		14,515,132	(7,696,672)	4,936,892	4,419,067	16,174,419
Profit/(loss) for the period		–	3,486,001	–	(489,326)	2,996,675
Other comprehensive income		–	–	839,796	–	839,796
Total comprehensive income for the period		–	3,486,001	839,796	(489,326)	3,836,471
Transactions with owners in their capacity as owners:						
Issue of share capital (net of share issue costs)		–	–	–	1,056,890	1,056,890
Transfer to reserves	20	–	–	(194,432)	194,432	–
Share–based payments	20	–	–	540,956	157,055	698,011
Foreign currency translation	20	–	–	(5,925)	–	(5,925)
Convertible note option	20	–	–	1,095,168	–	1,095,168
At 30 June 2011	20	14,515,132	(4,210,671)	7,212,455	5,338,118	22,855,034
At 1 July 2011		14,515,132	(4,210,671)	7,212,455	5,338,118	22,855,034
Profit/(loss) for the period		–	2,361,033	–	(503,959)	1,857,074
Other comprehensive income		–	–	(4,397,359)	–	(4,397,359)
Total comprehensive income/(loss) for the period		–	2,361,033	(4,397,359)	(503,959)	(2,540,285)
Transactions with owners in their capacity as owners:						
Issue of share capital (net of share issue costs)		–	–	–	460,400	460,400
Share capital applications		–	–	–	19,278	19,278
Transfer to reserves	20	–	–	–	–	–
Share–based payments	20	–	–	61,382	106,095	167,477
Foreign currency translation	20	–	–	(39,460)	–	(39,460)
At 30 June 2012		14,515,132	(1,849,638)	2,837,018	5,419,932	20,922,444

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

Consolidated Notes to the Financial Statements

For the year ended 30 June 2012

1. CORPORATE INFORMATION

The financial report of PlatSearch NL (the Company or PlatSearch) for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the Directors on 28 September 2012.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. It has been prepared on a historical cost basis except for investments in listed shares and derivative financial instruments, which are measured at fair value.

As at 30 June 2012, a number of accounting standards have been issued with applicable commencement dates subsequent to the year end. PlatSearch does not believe that the adoption of these changes will materially impact the results of the Company.

Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

Basis of consolidation

The consolidated financial statements comprise the financial statements of PlatSearch NL (PlatSearch or the Company) and its subsidiaries (collectively, the Group) as at 30 June each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The Group applies defacto control in its subsidiaries and as a result subsidiaries with defacto control are consolidated into the accounts.

Business combinations

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

Acquisition-related costs are expensed as incurred.

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

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

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

Cash and cash equivalents

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

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

Trade and other receivables

Trade receivables, which generally have a 30 day term, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Exploration, evaluation, development and restoration costs

Exploration and evaluation

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

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

Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale.

Exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

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

Exploration and evaluation – impairment

The Group assesses at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation costs whether the above carry forward criteria are met.

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

Provisions are made where farm-in partners are sought and there is a possibility that carried-forward expenditures may have to be written off in the future if a farm-in partner is not found. In the event that farm-in agreements are reached or the Company undertakes further exploration in its own right on those properties, the provisions would be reviewed and if appropriate, written back.

Development

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration

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

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

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

Investments and other financial assets

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, or available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and derecognition

All purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred.

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the Statement of Financial Position.

Loans and receivables

Loans and receivables including loan notes and loans to KMP are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after reporting date, which are classified as non-current.

Available for sale securities

Available for sale investments are those non-derivative financial assets, principally equity securities, that are designated as available for sale or are not classified as any of the three preceding categories. After initial recognition available for sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

Investments in associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements and at cost in the parent. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, investments in the associates are carried in the consolidated Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Statement of Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's Statement of Comprehensive Income, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payment on behalf of the associate.

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Interest in jointly controlled operations – joint ventures

The Group has an interest in exploration joint ventures that are jointly controlled. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in the jointly controlled operations by recognising the assets that it controls and the liabilities that it incurs. The Group also recognises the expenses that it incurs and its share of any income that it earns from the sale of goods or services by the jointly controlled operations.

Plant and equipment

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

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, namely motor vehicles and plant and equipment – depreciated over 2–10 years (2011: 3 years).

Impairment

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

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

Leases

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

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

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

Trade and other payables and provisions

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

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

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

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

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

Borrowing costs

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

Convertible notes

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

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

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

Employee entitlements

Wages, salaries, annual leave, sick leave and long service leave

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

Superannuation

The Company contributes to defined contribution super-annuation funds for its employees. The cost of these contributions is expensed as incurred. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date.

Share-based payment transactions

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

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

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

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

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately. However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and the new award are treated as if there was a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

Revenue recognition

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

Rendering of services

Revenue from consulting services are recognised when provided.

Interest

Revenue is recognised as interest accrues using the effective interest method.

Royalties

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

Contract exploration

Contract exploration revenue (consulting fees) earned from third parties is recognised when rights to receive the revenue are assured.

Income tax

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

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

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

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

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

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

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

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

Other taxes

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

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

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

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

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

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

Currency

Functional currency translation

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

Transactions and balances

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

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

Translation of Group Companies' functional currency to presentation currency

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

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Contributed equity

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

Recoverable amount of assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use.

Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period is:

Share-based payment transactions

The Company measures the cost of equity-settled share-based payments at fair value at the grant date using the Binominal formula taking into account the terms and conditions upon which the instruments were granted, and estimates of volatility as detailed in Notes 18 and 19.

Derivative financial instruments

The Company values its equity in the form of options in listed public companies using the Binomial method of valuation methodology taking into account the terms and conditions on which the instruments are granted as detailed in Note 11. The net gain or loss for the period is brought to account in the Statement of Comprehensive Income.

Capitalisation and write-off of capitalised exploration costs

The determination of when to capitalise and write-off exploration expenditure requires the exercise of judgement based on assessments of results, various assumptions and other factors such as historical experience, current and expected economic conditions.

Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Group, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

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

- Costs of servicing equity.
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses.
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

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

Accounting standards issued but not yet effective

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2012. The Consolidated Entity plans to adopt these standards at their application dates as detailed below.

AASB 9 Financial Instruments (Application date 1 January 2015)

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

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

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

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

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

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127] (Application date 1 January 2015)

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

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

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

Consolidated Financial Statements (Application date 1 January 2013)

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

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

Joint Arrangements (Application date 1 January 2013)

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

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

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

Fair Value Measurement (Application date 1 January 2013)

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

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

	2012 $	2011 $
3. REVENUE AND OTHER INCOME		
Revenue		
Interest received – other persons/corporations	610,599	346,426
Consulting fees	212,391	179,280
Rental income	44,070	45,486
Other Income		
Gain on deemed disposal relating to an associate	–	494,888
Gain on options – mark to market	30,150	1,237,073
Profit on sale of available for sale investments	–	2,814,210
Gain on restructure of equity investment	–	1,293,400
Gain on derivatives	299,568	102,757
Gain on revaluation of investment	–	1,089,453
R&D tax concession offset	–	266,973
Dividend income	6,556,937	–
Other	–	11,364
	7,753,715	7,881,310
4. INCOME TAX		
Income tax expense		
The major components of income tax expense are:		
Current income tax	–	–
Current income tax benefit		
Deferred income tax	–	–
Relating to origination and reversal of temporary differences	(1,203,444)	1,364,072
Recognition of previously unrecognised losses	–	(1,158,985)
Income tax (benefit)/expense reported in the Statement of Comprehensive Income	(1,203,444)	205,087

	2012 $	2011 $
4. INCOME TAX continued		
Amounts charged or credited directly to equity		
Deferred income tax related to items charged directly to equity		
Unrealised (gain)/loss on available for sale investments	819,424	(359,913)
Income tax benefit/(expense) reported in equity	819,424	(359,913)
Reconciliation		
Prima facie income tax expense on operating profit at 30%	196,089	960,528
Non-deductible expenses	69,748	129,401
Non-assessable income	–	(44,618)
Recognition of previously unrecognised losses	–	(1,158,985)
Tax offset for franked dividend	(1,967,081)	–
Under provision in prior year	15,590	–
Tax losses of subsidiaries not recognised	482,210	–
Recognition / de-recognition of temporary differences	–	318,761
Income tax (benefit)/expense	(1,203,444)	205,087
Recognised deferred tax assets and liabilities		
Opening deferred tax liability balance	565,000	–
Charged to income expense / (benefit)	(1,203,444)	205,087
Charged to equity (credit)	(819,424)	359,913
Closing balance	(1,457,868)	565,000
Amounts recognised in the Statement of Financial Position		
Deferred tax asset	2,213,342	3,380,073
Deferred tax liability	755,474	3,945,073
Net deferred tax balance	1,457,868	(565,000)
Deferred income tax at 30 June relates to the following:		
(i) Deferred tax liabilities		
Derivatives	42,911	418,518
Available for sale investments	493,912	1,985,620
Capitalised exploration	218,651	1,006,500
Equity accounted investment	–	205,628
Other	–	104,838
Gross deferred tax liabilities	755,474	3,721,104
(ii) Deferred tax assets		
Carry-forward tax losses	1,827,044	3,268,368
Equity accounted investment	125,325	–
Provisions	41,195	34,586
Share issuance costs	69,251	77,119
Interest on convertible notes	150,527	–
Tax losses not booked	–	(223,969)
Gross deferred tax assets	2,213,342	3,156,104
Net deferred tax assets/(liabilities)	1,457,868	(565,000)

Franking credits of $2,810,116 (2011: Nil) are available for subsequent years.

4. INCOME TAX continued

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

- Franking credits that will arise from the payment of the amount of the provision for income tax
- Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

Tax consolidation

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

In addition to the above, there are $5,368,094 (2011: $2,261,766) of unrecognised tax losses attributable to Eastern Iron, a subsidiary which is not tax consolidated with the parent company. The Directors are of the view that there is insufficient probability that Eastern Iron will derive sufficient income in the foreseeable future to justify recognising these tax losses as deferred tax assets.

	2012 $	2011 $
5. AUDITORS' REMUNERATION		
Amounts received or due and receivable by **HLB Mann Judd (2012)** & **Ernst & Young Australia (2011)**, for:		
Audit and review of the financial report of the entity (HLB)	60,500	–
Audit and review of the financial report of the entity (E&Y)	5,585	84,755
Other services – Tax	11,000	32,860
	77,085	**117,615**
Amounts received or due and receivable **Barnes Dowell James**, for:		
Audit and review of the financial report of Eastern Iron Limited	19,900	16,900
	19,900	16,900
Total Auditors' Remuneration for the Group	**96,985**	**134,515**
6. CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	2,190,489	411,309
Short-term deposits	10,183,020	6,476,423
Refer Note 29	**12,373,509**	**6,887,732**

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represents fair value.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

	2012 $	2011 $

7. RECEIVABLES – CURRENT

	2012 $	2011 $
Trade receivables	24,259	33,596
GST receivables	17,255	53,645
Interest receivable	70,524	85,893
Prepayments	55,320	40,062
Other debtors	5,303	9,144
	172,661	**222,340**

Receivables are non-interest bearing and generally 30 day terms and trading terms are being followed by debtors and there are no overdue amounts. An allowance for impairment loss is recognised when there is objective evidence that it is impaired. No allowance for impairment loss is required. The amounts not past due have been assessed to be not impaired.

8. INVESTMENTS

	2012 $	2011 $
Investment – available for sale – WPG (a)	603,655	8,378,309
Investment – available for sale – AGR (b)	176,250	138,250
Investment – available for sale SCI (c)	1,289,266	2,865,036
	2,069,171	**11,381,595**

(a) During the period the Company received $10,928,229 from WPG Resources Ltd (WPG) in the form of a capital return and a franked dividend being proceeds to shareholders for the sale of its iron ore assets to a subsidiary of OneSteel Limited. The market value on ASX of PlatSearch's 10,407,837 shares in WPG at 30 June 2012 was $603,655 ($0.058 per share) and on 21 September 2012 it was $509,984 ($0.049 per share).

(b) In December 2011 the Group exercised its 1,000,000 options in Aguia Resources Limited (AGR) at an exercise price of $0.35 bringing the total shareholding in AGR to 1,175,000. The market value on ASX of the Group's 1,175,000 shares in AGR at 30 June 2012 was $176,250 ($0.15 per share) and on 21 September 2012 it was $188,000 ($0.16 per share).

(c) The market value of the Group's 14,325,182 shares in Silver City Minerals Limited (SCI) at 30 June 2012 was $1,289,266 ($0.09 per share) and on 21 September 2012 it was $1,017,088 ($0.071 per share).

9. INVESTMENT IN ASSOCIATES

	2012 $	2011 $
Investment in TMZ	900,000	1,805,426
Investment accounted for using the equity method	**900,000**	**1,805,426**

The Group's interest in the above investments in associates has been brought to account as an investment in an equity accounted associate in accordance with Australian Accounting Standard AASB 128 Investments in Associates as the Directors consider that significant influence exists.

9. INVESTMENT IN ASSOCIATES continued

Thomson Resources Limited

In July 2009 Thomson Resources Limited (TMZ) was incorporated. The principle activities of TMZ is the exploration of gold, silver and base metals within the Thomson Fold Belt of northern New South Wales. On incorporation, the Group acquired a 50% interest in TMZ via the purchase of 250,000 shares in TMZ for $10,000. During the six month period ended 31 December 2009 TMZ raised additional capital totalling $2,562,000 by issuing an additional 31,320,000 shares of which the Group acquired an additional 4,750,000 shares for $190,000. In November 2009 PlatSearch acquired an additional 10,500,000 share as consideration for the sale of 13 tenements to TMZ. The sale of the tenements resulted in the Group recognising a gain of $120,804. As a result of the capital raising during the six months ended 31 December 2009, the Group's investment in TMZ was diluted from 50% to 32.76% which resulted in a gain of $393,446 which was recognised on the 'deemed disposal' of the 17.24% interest. This gain has been recognised against the carrying value of the investment.

In December 2010 Thomson Resources successfully completed a $4.6 million IPO issuing an additional 22,859,500 shares at $0.20 which diluted the Groups shareholding in TMZ from 32.76% to 25.65%. Bluestone 23 Limited contributed $500,000 and was issued with 2,500,000 shares. As a result of the dilution a gain of $494,888 was recognised on the 'deemed disposal' of the 7.11% interest. The gain has been recognised against the carrying value of the investment.

An impairment adjustment of $539,347 (2011: nil) was made to reflect the value of investment on ASX at 30 June 2012 of $0.05 per share. Total value of the Company's shareholding (18,000,000) at $0.05 is $900,000.

	Ownership interest held	
	2012	2011
	%	%
Thomson Resources Limited		
Ordinary shares at 30 June	25.65	25.65
Principal activity: TMZ is an Australian minerals explorer		
	$	$
Share of associate's losses		
Share of associate's:		
net loss before income tax –	(366,079)	(8,710)
income tax expense attributable –	–	–
Share of net loss after income tax	**(366,079)**	**(8,710)**
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.		
Carrying amount of investment in associate		
Balance at the beginning of the financial period	1,805,426	819,248
– cost of investment	–	500,000
– share of associate's net losses for the financial period	(366,079)	(8,710)
– impairment of investment	(539,347)	–
– uplift in value of the associate arising from share issue by the associate	–	494,888
Carrying amount of investment in associate at the end of the financial period	**900,000**	**1,805,426**
Share of associate's assets and liabilities		
Current assets	551,508	1,221,648
Non–current assets	953,400	687,500
Current liabilities	(39,816)	(121,188)
Net assets	**1,465,092**	**1,787,960**
Accumulated losses of the Company attributable to associate:		
Balance at the beginning of the financial period	(144,051)	(135,341)
Share of associate's net losses	(366,079)	(8,710)
Impairment of investment	(539,347)	–
Balance at the end of the financial period	**(1,049,477)**	**(144,051)**

		2012 $	2011 $

10. NON-CONTROLLING INTERESTS

	2012 $	2011 $
Contributed equity	6,230,713	5,751,035
Reserves	663,782	557,687
Accumulated losses	(1,474,563)	(970,604)
	5,419,932	**5,338,118**

11. DERIVATIVE FINANCIAL INSTRUMENTS

		2012 $	2011 $
Share options – AGR	(a)	32,560	592,360
Share options – SCI	(b)	65,976	287,700
Share options – TMZ	(c)	44,500	518,000
		143,036	**1,398,060**

(a) The PlatSearch group holds 200,000 (2011:200,000) options in Aguia Resources Limited (AGR) with an exercise price of $0.50 and an expiry date of 31 December 2014. A valuation of these options has been obtained using the Black, Scholes, Merton methodology model with a Binomial Variation and the following assumptions: expected volatility of 57.0648%, risk-free interest rate of 4.75%, dividend yield nil and an option life of 2.5 years. This results in a fair value of $32,560 at 30 June 2012.

(b) PlatSearch holds 3,000,000 (2011: 3,000,000) options in Silver City Minerals Limited (SCI) with an exercise price of $0.35 and an expiry date of 1 July 2013. A valuation of these options has been obtained using the Black, Scholes, Merton methodology model with a Binomial Variation and the following assumptions: expected volatility of 38.3241%, risk-free interest rate of 4.75%, dividend yield nil and an option life of 1.01 years. This results in a fair value of $3,900 at 30 June 2012.

In November 2011 SCI announced a non-renounceable rights issue to issue one option for every three shares held at an issue price of $0.01 per option. The PlatSearch Group purchased 4,775,061 listed options in December 2011 for $47,750. The options have an exercise price of $0.25 and an expiry date of 19 December 2014. The market value on ASX of the Group's 4,775,061 (2011: Nil) options in Silver City Minerals Limited (SCI) at 30 June 2012 was $62,076 ($0.013 per option).

(c) PlatSearch holds 5,000,000 (2011: 5,000,000) options in Thomson Resources Limited (TMZ) with an exercise price of $0.30 and an expiry date of 11 December 2014. A valuation of these options has been obtained using the Black, Scholes, Merton methodology model with a Binomial Variation and the following assumptions: expected volatility of 57.2605%, risk-free interest rate of 4.75%, dividend yield nil and an option life of 2.45 years. This results in a fair value of $44,500 at 30 June 2012.

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

12. TENEMENT SECURITY DEPOSITS

	2012 $	2011 $
Current		
Cash at bank – bank deposits	–	10,000
Cash with government mines departments	–	2,500
	–	**12,500**
Non–Current		
Cash at bank – bank deposits	110,000	–
Cash with government mines departments	138,350	235,850
	248,350	**235,850**

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 26). The bank deposits are interest earning.

13. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicle	Plant and equipment	Total
Year ended 30 June 2011			
Opening net book amount	16,550	39,088	55,638
Additions	52,106	140,845	192,951
Disposals	–	–	–
Depreciation expense	(4,028)	(23,547)	(27,575)
Closing net book amount	64,628	156,386	221,014
At 30 June 2011			
Cost	76,272	226,993	303,265
Accumulated depreciation	(11,644)	(70,607)	(82,251)
Net book amount	64,628	156,386	221,014
Year ended 30 June 2012			
Opening net book amount	64,628	156,386	221,014
Additions	–	169,257	169,257
Disposals	–	–	–
Depreciation expense	(18,799)	(66,022)	(84,821)
Foreign exchange differences	(3,996)	(7,252)	(11,248)
Closing net book amount	41,833	252,369	294,202
At 30 June 2012			
Cost	71,793	384,792	456,585
Accumulated depreciation	(29,960)	(132,423)	(162,383)
Net book amount	41,833	252,369	294,202

14. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2012 $	2011 $
Costs brought forward	3,125,172	2,163,797
Costs incurred during the year	2,790,380	1,754,105
Mining tenements acquired (discussed below)	618,000	–
Expenditure written off during the year	(1,436,789)	(792,730)
Costs carried forward	5,096,763	3,125,172
Exploration expenditure costs carried forward are made up of:		
Expenditure on joint venture areas	3,075,678	2,542,519
Expenditure on non joint venture areas	2,021,085	582,653
Costs carried forward	5,096,763	3,125,172

14. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE continued

Mining tenements acquired by Eastern Iron Limited

The following mining tenements were acquired during the financial year:

- An amount of $450,000 was paid as consideration for the purchase of the Eulogie Park project by the issue of 2,500,000 fully paid ordinary shares at $0.18 in Eastern Iron Limited.
- An amount of $168,000 was paid as consideration for the purchase of the Nowa Nowa project of which $100,000 was paid in cash and 1,000,000 fully paid ordinary shares were issued at $0.068 in Eastern Iron Limited.

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 2. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

In accordance with Note 2, the Directors write off exploration expenditure where they assess that the asset is impaired. Exploration expenditure is written off either by a reassessment by the Group that has reduced the interpreted potential of the licence for mineral deposits and, or a joint venture partner has withdrawn from a project.

	2012 $	2011 $
15. CURRENT LIABILITIES – PAYABLES		
Trade creditors *	156,902	365,284
Accrued expenses	299,179	179,378
	456,081	**544,662**

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

	2012 $	2011 $
16. LIABILITIES – PROVISIONS		
Current		
Annual Leave	93,961	55,854
Non-current		
Long Service Leave	44,861	17,555

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

17. DERIVATIVE LIABILITY/CONVERTIBLE NOTE

The Company completed a capital raising in December 2010 via a private placement of 16,666,667 convertible notes at 15 cents each which raised $2,500,000 in additional working capital.

The general terms of the issue are:

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

(b) The Company may redeem the notes at any stage and must redeem all convertible notes on the maturity date or upon an event of default.

(c) Each convertible note will accrue interest at 8% per annum to be paid each half year in arrears in cash, the first instalment to be paid on 30 April 2011.

(d) Noteholders will receive one share option for every two convertible notes they subscribe to, providing the notes are converted into ordinary shares and at the time of conversion. The share options will have an exercise price of 25 cents and an expiry of 9 December 2014.

17. DERIVATIVE LIABILITY/CONVERTIBLE NOTE continued

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

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

(1) Represents the valuation of the option entitlement per (d) above.

(2) Represents the value of the conversion function per (a) above.

	Note	2012 $	2011 $
The balances and movements of the convertible note and derivative liability components at 30 June 2012 are as follows:			
Convertible Note Liability			
Opening balance		951,109	744,587
Add interest expense		495,236	276,111
Less interest paid		(200,000)	(69,589)
Closing balance		**1,246,345**	**951,109**
Derivative Liability			
Opening balance		300,475	510,245
Revaluation adjustment		(299,568)	(209,770)
Closing balance		**907**	**300,475**

18. CONTRIBUTED EQUITY

	Note	2012 $	2011 $
Share capital			
175,287,592 ordinary shares fully paid		14,510,632	14,510,632
450,000 ordinary shares paid to $0.01 with $0.24 unpaid		4,500	4,500
		14,515,132	**14,515,132**
		Number	Number
Movements in ordinary shares on issue			
At 1 July 2010		175,287,592	95,611,392
Shares issued	(i)	–	79,676,200
At 30 June 2011		175,287,592	175,287,592
Shares issued		–	–
At 30 June 2012		175,287,592	175,287,592

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

18. CONTRIBUTED EQUITY continued

Terms and conditions of contributed equity

Ordinary shares

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

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

In respect to members who hold shares which are paid to $0.01, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. The shares were issued under the Platinum Search Share Incentive Plan, which was replaced by the PlatSearch Employee Share Option Plan on 25 November 1993. The unpaid portion can be called by the Directors at any time, subject to the rules of the Plan.

Options

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

19. SHARE-BASED PAYMENTS

Types of share-based payment plans

Share-based payments

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

There have been no cancellations or modifications to any of the plans during 2012 and 2011. 600,000 ESOP Options were cancelled during the financial year.

	2012 No.	2011 No.
Summary of options granted by the parent entity		
Outstanding at the beginning of the year	23,970,000	12,870,000
Granted during the year	2,800,000	11,100,000
Cancelled during the year	(600,000)	–
Exercised during the year	–	–
Expired during the year	(2,280,000)	–
Outstanding at the end of the year	23,890,000	23,970,000

The outstanding balance as at 30 June 2012 is represented by:

- 900,000 which expire on 9 February 2014 exercisable at $0.14 per share
- 9,590,000 which expire on 27 November 2014 exercisable at $0.18 per share
- 1,500,000 which expire on 27 November 2014 exercisable at $0.18 per share (not vested)
- 10,900,000 which expire on 25 November 2015 exercisable at $0.30 per share
- 1,000,000 which expire on 6 October 2014 exercisable at $0.25 per share

	2012	2011
Weighted Average disclosures for options granted by the parent entity		
Weighted average exercise price of options at 1 July	$0.22	$0.17
Weighted average exercise price of options granted during period	$0.28	$0.28
Weighted average exercise price of options outstanding at 30 June	$0.23	$0.22
Weighted average exercise price of options exercisable at 30 June	$0.24	$0.22
Weighted average contractual life	2.82	3.44 years
Range of exercise price	$0.14 – $0.30	$0.14 – $0.30

19. SHARE-BASED PAYMENTS continued

Option pricing model and terms of options

The following table lists the inputs to the options model and the terms of options granted in **PlatSearch NL**:

Issue date	Number of options issued	Exercise price	Expiry date	Expected volatility	Risk-free rate	Expected life years	Estimated fair value	Model used	
Mar 09	900,000	$0.14	9 Feb 14	123.55%	4.12%	4.8	$0.0532	Binomial	(a)
Nov 09	8,250,000	$0.18	27 Nov 14	122.91%	4.99%	5.0	$0.0636	Binomial	(b)
Dec 09	840,000	$0.18	27 Nov 14	122.91%	4.99%	4.9	$0.0536	Binomial	(c)
Aug 10	2,000,000	$0.18	27 Nov 14	80.00%	4.64%	4.3	$0.0700	Binomial	(d)
Nov 10	6,250,000	$0.30	25 Nov 15	80.00%	5.32%	5.0	$0.0500	Binomial	(e)
Dec 10	1,900,000	$0.30	25 Nov 15	80.00%	5.37%	4.9	$0.0600	Binomial	(f)
May 11	950,000	$0.30	25 Nov 15	121.29%	5.19%	4.5	$0.0663	Binomial	(g)
Nov 11	1,000,000	$0.25	6 Oct 14	118.33%	3.49%	3.0	$0.0452	Binomial	(h)
Dec 11	1,800,000	$0.30	25 Nov 15	30.86%	4.75%	4.0	$0.0035	Binomial	(i)
	23,890,000								

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

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

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

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

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

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

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

(h) 1,000,000 options were issued to Alan Breen, Non-executive Director of the Company, and approved by shareholders at the Company's AGM held on 29 November 2011. The options vested immediately and were expensed in the income statement.

(i) 1,800,000 options were issued to employees/consultants under the Company's ESOP. The options vested immediately and were expensed in the income statement.

The following table lists the inputs to the options model and the terms of options granted in **Eastern Iron Limited**:

Grant date	Number of options issued	Exercise price	Expiry date	Expected volatility	Risk-free rate	Expected life years	Estimated fair value	Model used	
Mar 10	1,200,000	$0.18	9 Mar 15	104.16%	5.01%	5	$0.0712	Binomial	(a)
Sep 10	150,000	$0.20	23 Nov 13	106.99%	4.87%	3	$0.0695	Binomial	(b)
Nov 10	1,700,000	$0.20	23 Nov 13	106.99%	4.87%	3	$0.0695	Binomial	(c)
Nov 11	1,650,000	$0.18	23 Nov 13	146.61%	3.64%	2	$0.0643	Binomial	(d)
	4,700,000								

(a) 1,200,000 options were issued to Greg De Ross. 600,000 options vested on grant date and 600,000 vested on 9 March 2011.

(b) 150,000 options were issued to a consultant. The options vested on grant date.

(c) 1,700,000 options were issued to Directors and approved by shareholders at the AGM held in November 2010. The options vested on grant date.

(d) 1,650,000 options were issued to Directors and approved by shareholders at the AGM held in November 2011. The options vested on grant date.

	Note	2012 $	2011 $
20. RESERVES			
Share-based compensation reserve		1,609,490	1,548,108
General reserve		(229,108)	(229,108)
Investment revaluation reserve		406,853	4,804,212
Foreign currency translation reserve		(45,385)	(5,925)
Convertible note option reserve		1,095,168	1,095,168
		2,837,018	**7,212,455**
Share-based compensation reserve	(i)		
Balance at the beginning of financial year		1,548,108	1,007,152
Share-based payment expense		61,382	540,956
Balance at end of financial year		**1,609,490**	**1,548,108**
General reserve	(ii)		
Balance at the beginning of financial year		(229,108)	(34,676)
Transfer to non-controlling interests		–	(194,432)
Balance at end of financial year		**(229,108)**	**(229,108)**
Investment revaluation reserve	(iii)		
Balance at the beginning of financial year		4,804,212	3,964,416
Change in fair value of investments available for sale (net of tax)		(5,216,783)	1,385,195
Transfer of realised gain to other income (net of tax)		819,424	(545,399)
Balance at end of financial year		**406,853**	**4,804,212**
Foreign currency translation reserve	(iv)		
Balance at the beginning of financial year		(5,925)	–
Effect of exchange rate fluctuation		(39,460)	(5,925)
Balance at end of financial year		**(45,385)**	**(5,925)**
Convertible note option reserve	(v)		
Balance at the beginning of financial year		1,095,168	–
Equity component on issue of convertible note		–	1,095,168
Balance at end of financial year		**1,095,168**	**1,095,168**

(i) Share-based compensation reserve

The share–based compensation reserve is used to recognise the fair value of options issued but not exercised as described in Note 2 and referred to in Note 19.

(ii) General reserve

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

(iii) Investment revaluation reserve

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

(iv) Foreign currency translation reserve

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

(v) Convertible note option reserve

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

	2012 $	2011 $
21. EARNINGS PER SHARE		
Net profit used in calculating basic and diluted gain per share	2,361,033	3,486,001
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	175,305,592	175,305,592
	Cents per share	Cents per share
Basic earnings per share	1.35	1.99
Diluted earnings per share	1.35	1.99

The number of potential ordinary shares that are dilutive and included in determining diluted EPS are nil (2011: nil) relating to share options issued. There are no instruments excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are antidilutive for all of the periods presented.

Conversion, call, subscription or issue after 30 June 2012: 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.

	2012 $	2011 $
22. KEY MANAGEMENT PERSONNEL		
Key management personnel (KMP) remuneration, shares and options		
Compensation for key management personnel		
Short-term employee benefits	1,304,419	1,151,067
Post-employment benefits	89,466	103,106
Share-based payments	132,005	591,411
Total compensation	**1,525,890**	**1,845,584**

22. KEY MANAGEMENT PERSONNEL continued

Shareholdings of key management personnel

Fully paid ordinary shares held in PlatSearch NL

	Balance at 1 July No.	Granted as remuneration No.	Received on exercise of options No.	Net other change * No.	Balance at 30 June No.
2012					
P Elliott	2,352,345	–	–	–	2,352,345
G Jones	1,000,000	–	–	1,200,000	2,200,000
C S Kwan	46,184,836	–	–	4,440,589	50,625,425
Dr K Foo	–	–	–	–	–
A Breen	–	–	–	–	–
K Champaklal	–	–	–	–	–
I Polovineo	–	–	–	–	–
C Hosie	–	–	–	–	–
W Corbett	–	–	–	–	–
M Lilley	–	–	–	–	–
N Maund	–	–	–	–	–
G De Ross	–	–	–	–	–
Total	49,537,181	–	–	5,640,589	55,177,770
2011					
P Elliott	2,352,345	–	–	–	2,352,345
G Jones	365,862	–	–	634,138	1,000,000
C S Kwan	45,183,893	–	–	1,000,943	46,184,836
Dr K Foo	–	–	–	–	–
R Waring	–	–	–	–	–
R Richardson	–	–	–	–	–
K Champaklal	–	–	–	–	–
I Polovineo	–	–	–	–	–
P Buckley	–	–	–	–	–
C Hosie	–	–	–	–	–
W Corbett	–	–	–	–	–
M Lilley	–	–	–	–	–
N Maund	–	–	–	–	–
G De Ross	–	–	–	–	–
Total	47,902,100	–	–	1,635,081	49,537,181

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

22. KEY MANAGEMENT PERSONNEL continued

Option holdings of key management personnel

Share options held in PlatSearch NL

	Balance at 1 July No.	Granted as remuneration No.	Options exercised No.	Net change other # No.	Balance at 30 June No.	Balance vested at 30 June No.	Vested and exercisable No.
2012							
P Elliott	1,600,000	–	–	–	1,600,000	1,600,000	1,600,000
G Jones	6,300,000	–	–	–	6,300,000	6,300,000	6,300,000
C S Kwan	4,000,000	–	–	–	4,000,000	4,000,000	4,000,000
F K Foo	1,600,000	–	–	–	1,600,000	1,600,000	1,600,000
K Champaklal	–	–	–	–	–	–	–
A Breen	–	1,000,000	–	–	1,000,000	1,000,000	1,000,000
I Polovineo	600,000	–	–	–	600,000	600,000	600,000
C Hosie	350,000	–	–	–	350,000	350,000	350,000
W Corbett	900,000	–	–	(150,000)	750,000	750,000	750,000
M Lilley	900,000	–		–	900,000	900,000	900,000
N Maund	2,000,000	–	–	–	2,000,000	500,000	500,000
G De Ross	–	–	–	–	–	–	–
Total	18,250,000	1,000,000	–	(150,000)	19,100,000	17,600,000	17,600,000
2011							
P Elliott	1,000,000	600,000	–	–	1,600,000	1,600,000	1,600,000
G Jones	4,000,000	2,300,000	–	–	6,300,000	6,300,000	6,300,000
C S Kwan	2,000,000	2,000,000	–	–	4,000,000	4,000,000	4,000,000
F K Foo	1,000,000	600,000	–	–	1,600,000	1,600,000	1,600,000
K Champaklal	–	–	–	–	–	–	–
I Polovineo	–	600,000	–	–	600,000	600,000	600,000
C Hosie	–	350,000	–	–	350,000	350,000	350,000
W Corbett	500,000	400,000	–	–	900,000	900,000	900,000
M Lilley	250,000	650,000	–	–	900,000	900,000	900,000
N Maund	–	2,000,000	–	–	2,000,000	500,000	500,000
G De Ross	–	–	–	–	–	–	–
Total	8,750,000	9,500,000	–	–	18,250,000	16,750,000	16,750,000

Expiry of options

No shares were issued as a result of the exercise of compensation options to KMP.

Options held by Directors may be exercised at any time. Shares and options held by Directors include those held by the Directors and their Director–related entities, including the spouses of such Directors and relatives of such Directors. All shares and options, excluding those held under the Employee Share Option Plan, were issued or granted on terms no more favourable than to other shareholders or option holders.

23. RELATED PARTY DISCLOSURES

Subsidiaries

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

		% Equity interest		$ Investment	
Name	Country of incorporation	2012	2011	2012	2011
Bluestone 23 Pty Ltd	Australia	100	100	5,000	5,000
Eastern Iron Limited	Australia	45.78	48.26	1,950,385	1,950,385
Variscan Mine SAS	France	100	100	1,478	1,478

Variscan Mines SAS was incorporated on 8 December 2010.

Transactions with directors

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

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

Transactions with associated companies

During the year the Company provided technical and administrative support services to its associated company Thomson Resources Limited (TMZ). Services provided to TMZ amounted to $92,899 (2011: $117,542) consisting of payments received for consulting, use of office space and office services.

24. JOINT VENTURES

The Company is a party to a number of exploration joint venture agreements to explore for copper, gold, zinc, lead, uranium and heavy minerals. Under the terms of the agreements the Company will be required to contribute towards the exploration and other costs if it wishes to maintain or increase its percentage holdings. The joint ventures are not separate legal entities. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to PlatSearch at reporting date resulting from these joint ventures, other than exploration expenditure costs carried forward as detailed in Note 14. Costs are accounted for in accordance with the terms of joint venture agreements and in accordance with Note 2. Percentage equity interests in joint ventures at 30 June 2012 were as follows:

PlatSearch NL **New South Wales – gold, base metals and iron**	% interest 2012	% interest 2011
Hillston – diluting to 16%	39.2%	39.2%
Hollis Tank – relinquished	0%	0%
Dunmore and Tomingley – now Wyoming West	0%	0%
Mundi Plains	20%	49%
Mundi Plains – cover rights	50%	50%
Thurla – PTS can earn 20%	0%	0%
Wyoming West – earning 80%	0%	–
Eastern Iron Projects – Eastern Block Tenements	51%	51%
Eastern Iron Projects – Western Block Tenements	0%	0%

24. JOINT VENTURES continued

PlatSearch NL **South Australia – gold, base metals and iron**	% interest 2012	% interest 2011
Quinyambie – diluting to 15%	52.6%	52.6%
Callabonna – diluting to 30%	100%	100%
Frome, Poverty Lake – Benagerie JV	90%	90%
Kalabity – diluting to 32%	80%	80%
Junction Dam – diluting to 16% base and precious metals rights	39.2%	39.2%
Junction Dam – uranium rights	4.98%	19.21%
Wynbring	100%	100%
Officer Basin – EL applications only	50%	50%
Eastern Iron **Tenements in New South Wales – iron**		
Eastern Block Tenements	49%	49%
Western Block Tenements	100%	100%
Eastern Iron **Queensland – iron**		
Hawkwood – EFE can earn 80%	0%	0%

25. SEGMENT INFORMATION

The operating segments identified by management are as follows:

1. Exploration projects funded directly by PlatSearch ("Exploration") and;
2. Investments in other companies ("Investing").

Regarding the Exploration segment, the Chief Operating Decision Maker (the Board of directors) receives information on the exploration expenditure incurred. This information is disclosed in Note 14 of this financial report. No segment revenues are disclosed as each exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off which is disclosed in Note 14.

Regarding the Investing segment, the Chief Operating Decision Maker reviews the value of investments and derivatives held in other exploration companies. The changes in the value of investments and derivatives are disclosed in Notes 8, 9 and 11 of this financial report. Segment revenues are disclosed in the statement of comprehensive income as '(Loss) on options'.

Financial information about each of these tenements is reported to the Managing Director on an ongoing basis.

Corporate office activities are not allocated to operating segments as they are not considered part of the core operations of any segment and comprise of the following:

- Interest revenue
- Corporate costs
- Depreciation and amortisation of non-project specific property, plant and equipment.

The Group's accounting policy for reporting segments is consistent with that disclosed in Note 2.

26. CONTINGENT LIABILITIES

The Group's bankers have provided guarantees totalling $110,000 (2011: $10,000) in respect of exploration tenements and the guarantees are secured against short term deposits of these amounts. Additional guarantees of $138,350 (2011: $238,350) in respect of exploration tenements are secured against deposits with NSW Minerals and Energy, Victorian Department of Primary Industries – Energy and Resources DERM Queensland. The Company does not expect to incur any material liability in respect of the guarantees.

27. COMMITMENTS

Lease commitments

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

	2012 $	2011 $
Payable not later than one year	–	29,011
Payable later than one year and not later than five years	–	–
	–	**29,011**

The Company's lease of its office premises expired on 25 January 2012 and since that time has been leasing on a month by month basis.

Exploration licence expenditure requirements

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

	2012 $	2011 $
Payable not later than one year	432,984	2,488,798
Payable later than one year but not later than five years	225,989	617,042
	658,973	**3,105,840**

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

28. EVENTS AFTER THE REPORTING DATE

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2012 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years, other than:

- In July 2012 PlatSearch NL contributed to Eastern Iron's 2 for 3 pro-rata non-renounceable Entitlement Offer whereby PlatSearch purchased 21,000,000 shares in Eastern Iron at $0.055 which brought PlatSearch's shareholding in Eastern Iron to 57.17%.
- On 26 September 2012 Eastern Iron Limited issued 22,843,106 ordinary shares at $0.055 per share for a total cash consideration of $1,256,371. These shares were Shortfall Shares issued pursuant to clause 2.3 of the Replacement Entitlement Offer Prospectus dated 8 June 2012 and in accordance with ASX Listing Rule 7.2 Exception 3.

	2012 $	2011 $

29. CASH FLOW STATEMENT

	2012 $	2011 $
Reconciliation of net cash outflow from operating activities to operating profit after income tax		
Operating profit after income tax	1,857,074	2,996,675
Depreciation	84,821	27,575
Exploration expenditure written-off	1,436,788	792,730
Interest on convertible note	295,236	276,111
Share of associate's net losses	366,079	35,079
Share-based payment expense	167,477	698,011
(Gain) on options	(30,150)	(824,273)
Loss on options	1,212,525	–
Gain on accounting for investment in associate	–	(494,888)
Gain on restructure of equity investments	–	(1,293,400)
Gain on revaluation of investment	–	(1,089,453)
Gain on derivatives	(299,568)	(102,757)
Profit on sale of shares	–	(2,814,210)
Impairment of investments	737,096	–
Provisions for annual leave and long service leave	65,413	21,428
Tax expense/(benefit)	(1,203,444)	205,087
Exploration costs in closing creditors	151,675	(18,554)
Dividends received	(6,556,937)	–
Other	88,443	–
Change in assets and liabilities:		
(Increase)/decrease in receivables	40,640	(101,937)
(Decrease)/increase in trade and other creditors	(88,581)	282,047
Net cash outflow from operating activities	**(1,675,413)**	**(1,404,729)**

For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Group does not have any unused credit facilities.

	2012 $	2011 $
The balance at 30 June comprised:		
Cash and cash equivalents	2,190,489	411,309
Money market securities – bank deposits (Note 6)	10,183,020	6,476,423
Cash on hand	**12,373,509**	**6,887,732**

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's Board considers the Company's overall risk management framework and policies, including quarterly review by the Board of the Company's financial position and financial forecasts and maintaining adequate insurances.

AASB 7 introduced new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to AASB 101 introduces disclosures about the level of an entity's capital and how it manages capital.

Capital management

The Group considers its capital to comprise its ordinary share capital and its retained earnings, net of accumulated losses.

In managing its capital, the Group's primary objective as an explorer is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. The Group has no debt hence has a nil gearing ratio.

In making decisions to adjust its capital structure to achieve these aims, either through altering its new share issues, or consideration of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

Financial instrument risk exposure and management

As is common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. These main risks, arising from the group's financial instruments are interest rate risk, liquidity risk, share market risk and credit risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives quarterly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Board receives cash flow projections on a monthly basis as well as information regarding cash balances. At the balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Interest rate risk

At reporting date, the Group is exposed to floating weighted average interest rates at 30 June 2012 for financial assets as follows:

- Cash rate of 0.55% (2011: 1.11%) on $1,035,488 (2011: $377,482)
- At Call nil (2011: 4.68%) on $1,155,000 (2011: $33,827)
- Short term deposit rate of 5.15% (2011: 5.92%) on $10,183,020 (2011: $6,476,423)
- Tenement deposits with banks nil (2011:$10,000)

All other financial assets and liabilities are non-interest bearing.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and financial liability is set out in the following tables:

Risk exposure and responses	Pre tax loss		Equity	
Judgements of reasonably possible movements:	Lower / (higher)		Lower / (higher)	
Consolidated	2012 $	2011 $	2012 $	2011 $
+1% (100 basis points)	123,735	68,977	123,735	68,977
-1% (100 basis points)	(123,735	(68,977)	(123,735	(68,977)

Share market risk

The Company relies greatly on equity markets to raise capital for its exploration activities and is thus exposed to equity market volatility. When market conditions require, for prudent capital management, in consultation with its professional advisers the Group looks to alternative sources of funding, including the sale of assets and royalties.

Credit risk

Credit risk arises principally from the Group's cash, cash equivalents, receivables and tenement security deposits.

The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Other receivables

Other receivables comprise GST. Credit worthiness of debtors is undertaken when appropriate.

Equity price risk

Price risk arises from investments in equity securities. All significant equity investments held by PlatSearch are publicly traded on the ASX. The price risk for listed securities is material in terms of the possible impact on profit and loss or total equity and as such a sensitivity analysis is completed below. The capacity of the Company to raise capital from time to time may be influenced by either or both market conditions and the price of PlatSearch's quoted shares at that time.

At balance date, the Group is exposed to a stock exchange risk on its investments (Note 8). The Group's exposure to share price movement is set out in the following tables:

Risk exposure and responses	Pre tax loss		Equity	
Judgements of reasonably possible movements in share prices:	Lower / (higher)		Lower / (higher)	
Consolidated	2012 $	2011 $	2012 $	2011 $
+20%	–	–	413,834	2,276,319
-20%	–	–	(413,834)	(2,276,319)

At balance date, the Group is exposed to a stock exchange risk on its derivative financial instruments (Note 11). The Group's exposure to movements in the value of share options is set out in the following tables:

Risk exposure and responses	Pre tax loss		Equity	
Judgements of reasonably possible movements in share prices:	Lower / (higher)		Lower / (higher)	
Consolidated	2012 $	2011 $	2012 $	2011 $
+20%	28,607	279,612	28,607	279,612
-20%	(28,607)	(279,612)	(28,607)	(279,612)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

Accounting policies

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

Fair value of financial assets and liabilities

The fair value of all monetary financial assets and financial liabilities of the PlatSearch Group approximate their carrying value.

There are no off-balance sheet financial asset and liabilities at year-end.

All financial assets and liabilities are denominated in Australian dollars, except for a bank account held by Variscan, the French subsidiary.

Fair value risk

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

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

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

2012	Quoted market price (Level 1)	Valuation technique – market observable inputs (Level 2)	Valuation technique – non market observable inputs (Level 3)	Total
Financial assets				
Investments available for sale	2,069,171	–	–	2,069,171
Total financial assets	**2,069,171**	**–**	**–**	**2,069,171**
Derivative assets				
Derivatives – fair value through the income statements	–	143,036	–	143,036
Derivative assets	**–**	**143,036**	**–**	**143,036**

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

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

Transfer between categories

There were no transfers between levels during the year.

31. PARENT ENTITY INFORMATION

Information relating to the parent entity Ltd:	2012 AUD$'000	2011 AUD$'000
Current assets	12,148	3,470
Total assets	17,500	18,577
Current liabilities	195	208
Total liabilities	1,476	1,478
Issued capital	14,509	14,509
Accumulated losses	(5,334)	(4,769)
Investment revaluation reserve	666	4,716
Convertible note option reserve	1,095	1,095
Share based payment reserve	1,609	1,548
Total shareholders' equity	16,024	17,099
Profit of the parent entity	3,479	2,586
Total comprehensive income/(loss) of the parent entity	(572)	1,284
	2,907	3,870
Contingent liabilities of the parent entity – refer to Note 26	248	143

Contractual commitments by the parent entity

The parent entity has lease commitments as stated in Note 27. The parent entity holds the lease commitment for its subsidiaries.

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 consolidated entity are in accordance with the Corporations Act 2001, including:

  (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date.

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

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

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

(d) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2012.

On behalf of the Board

Greg Jones
Managing Director

Sydney, 28 September 2012

INDEPENDENT AUDITOR'S REPORT

HLB Mann Judd

Accountants | Business and Financial Advisers

PLATSEARCH NL

INDEPENDENT AUDITOR'S REPORT

To the members of PlatSearch NL

Report on the Financial Report

We have audited the accompanying financial report of PlatSearch NL ("the company"), which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the consolidated financial report complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

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INDEPENDENT AUDITOR'S REPORT

HLB Mann Judd

PLATSEARCH NL

INDEPENDENT AUDITOR'S REPORT
(continued)

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of PlatSearch NL on 24 September 2012, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

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

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of PlatSearch NL for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

M. Muller

Sydney
28 September 2012

M D Muller
Partner

Shareholder Information

Information relating to shareholders at 9 October 2012.

ORDINARY FULLY PAID SHARES

There were a total of 175,287,592 fully paid ordinary shares on issue.

OPTIONS

There were a total of 23,890,000 options on issue.

Substantial shareholders	Shareholding
Kwan Chee Seng	50,625,425

At the prevailing market price of $0.08 per share, there were 577 shareholders with less than a marketable parcel of $500

Top 20 shareholders of ordinary shares as at 9 October 2012	Number	%
HSBC Custody Nominees (Australia) Limited	52,077,531	29.71
UOB Kay Hian Private Limited <Clients A/C>	18,126,058	10.34
Minotaur Resources Investments Pty Ltd	8,000,000	4.56
DBS Vickers Securities (Singapore) Pte Ltd <Client Account>	6,771,762	3.86
Mr Xiangjun Zhang	6,642,000	3.79
Mr Chris Carr & Mrs Betsy Carr	5,500,000	3.14
Warman Investments Pty Ltd	4,864,019	2.78
Mr Robert Lewis Richardson & Ms Susanne Brint	3,350,760	1.91
Ipseity Pty Ltd	2,839,707	1.62
Panstyn Investments Pty Ltd	2,352,345	1.34
Monex Boom Securities (Hk) Ltd <Clients Account>	2,255,449	1.29
Nefco Nominees Pty Ltd	2,193,512	1.25
Phillip Securities Pte Ltd <Client Account>	2,091,953	1.19
Mr Gregory Jones <The Jones Family Account>	1,962,472	1.12
Mr Allan Edward Watts <Watts Family A/C>	1,580,000	0.90
Crescent Nominees Limited	1,470,316	0.84
Dr Fatt Kah Foo	1,403,000	0.80
Howard-Smith Investments Pty Ltd	1,116,021	0.64
Wimtone Pty Limited	1,100,000	0.63
Technica Pty Ltd	1,000,000	0.57
Total of top 20 holdings	**127,696,905**	**72.85**
Other holdings	47,590,687	27.15
Total fully paid shares issued	**175,287,592**	**100.00**

Distribution of shareholders

Range	No of shareholders	Ordinary shares
1 – 1,000	327	132,759
1,001 – 5,000	216	618,955
5,001 – 10,000	177	1,477,353
10,001 – 100,000	426	16,298,030
100,001 – and over	123	156,760,495
	1,269	175,287,592

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. Optionholders have no voting rights until the options are exercised.

Corporate Directory

BOARD OF DIRECTORS

Patrick Elliott
Non-Executive Chairman

Greg Jones
Managing Director

Kwan Chee Seng
Non-Executive Director

Dr Foo Fatt Kah
Non-Executive Director

Kantilal Champaklal
Alternative director for Mr Kwan

Alan Breen
Non-Executive Director

COMPANY SECRETARY

Ivo Polovineo

REGISTERED OFFICE

Level 1, 80 Chandos Street
St Leonards, NSW 2065 or
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NSW 1585

Telephone: (+ 61 2) 9906 5220
Email: pts@platsearch.com.au
Website: www.platsearch.com.au

SHARE REGISTRY

Boardroom Pty Limited
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Telephone: (+61 2) 9290 9600
Website: www. boardroomlimited.com.au

AUDITORS

HLB Mann Judd
Level 19, 207 Kent Street
Sydney, NSW 2000

SOLICITORS

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

BANKERS

Bankwest
Commonwealth Bank
Macquarie Bank
Suncorp Metway Ltd

SECURITIES EXCHANGE LISTING

Australian Securities Exchange
ASX code: **PTS**

PlatSearch NL

ACN 003 254 395
ASX Code: PTS