



PLATSEARCH NL

ABN 16 003 254 395

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2012



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Your Directors submit their report on the Consolidated Entity (the Group) consisting of PlatSearch NL (PTS or the Company) and the entities it controlled at the end of, or during, the half year ended 31 December 2012.

Directors

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

Patrick Elliott	Non-Executive Chairman
Greg 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

Review and results of operations

The net result of operations after applicable income tax expense for the half year was a Group loss of \$1,301,403 (2011: gain of \$2,426,346), which includes the write-off of exploration and business development expenditure in the current half year of \$257,757 (2011: \$625,194).

The principal continuing activity of the PlatSearch Group is the exploration for economic deposits of **zinc, lead, silver, gold, copper, nickel, iron ore, uranium and tin/tungsten** and investment holdings in mineral exploration companies. The exploration activities are often funded by joint ventures with other resource companies (see table on following page). PlatSearch maintains a program of project generation to identify and acquire prospective areas, but is now focussing most of its resources into regions outside Australia.

The Company has identified a range of advanced and brownfield opportunities within Europe and Africa. PlatSearch has formed a wholly owned European subsidiary, Variscan Mines SAS, established an office in Orleans, France and employed a number of geologists to help lead the Company's focus into this well-endowed, but relatively overlooked region. Variscan is progressing assessment and acquisition activities and the Company remains confident that it will be successful in acquiring high quality, advanced properties.

Activities for the period up to the date of this report included:

Exploration

▶ Following a drilling programme by Eastern Iron Limited (ASX: EFE) at the Nowa Nowa project in eastern Victoria, a revised Resource estimate was completed, generating a total Resource of 11.55 million tonnes at 49.8% iron. This represented a 23% increase in tonnage over the February 2012 estimate. Considerable upside remains.

Based on the increased resource, Eastern Iron subsequently completed a mine scoping study for the project. The results of the study were positive suggesting that the project could generate 0.8Mt of product per annum over an 8 year mine life. Capital costs for the operation were estimated at \$37 million, low in comparison to other iron mines due to excellent local infrastructure.

Following the encouraging conclusion of the scoping study, Eastern Iron has approved the commencement of a mine feasibility study at Nowa Nowa, with further drilling and metallurgical work to start in early 2013.

▶ An electromagnetic (EM) survey by joint venture partner Thomson Resources Ltd (ASX: TMZ) over the Achilles base metal project, Cobar produced anomalous EM responses. Follow up work to generate new drill targets is planned.

▶ Silver City Limited (ASX: SCI) completed an analysis of all data received from an extensive drilling campaign conducted during 2012 over a number of prospective targets within the Broken Hill region of western NSW. Results have confirmed that the Razorback West and Allendale prospects continue to be a priority with additional prospects such as Yalcowinna Creek, Parnell, Native Dog and Mt Brown also being brought to the drilling stage.

Silver City completed RC drilling at the Allendale base metal prospect recording a best result of 10 metres at 6.2% zinc, 3.4% lead and 26g/t silver in one of five mineralised zones defined to date.

A deep penetration induced polarisation (IP) geophysical survey over the Razorback West project generated a number of significant chargeability anomalies coincident with surface lead-zinc geochemical anomalies, possibly indicating the presence of Broken Hill type mineralisation.

▶ Perilya (ASX: PEM) is earning an 80% interest in the Hillston project, near Broken Hill NSW. In February 2012, a significant regional airborne electromagnetic (VTEM) survey was completed, covering a large portion of the Hillston tenement. 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 EM data were completed and work on the data is being reviewed to generate additional targets.

► UXA Resources Ltd (ASX: UXA) is currently earning Teck Australia Pty Ltd's interest in the joint venture that covers both the Junction Dam and Mundi Plains tenements. UXA completed targeting work over the Polygonum - Mammoth Cu-Au and Pb-Zn-Ag prospect, in the southwest of the Junction Dam tenement block. 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.

Polygonum-Mammoth is located within a well known mineralised horizon, 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.

UXA has prepared a new exploration program, including geophysics and drilling, to follow up the previous mineralised drill intersections targeting stratabound Pb-Zn-Ag 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 which, elsewhere in the world, are recognised as important controlling basins for hosting major stratabound Pb-Zn-Ag deposits.

A large airborne magnetic survey is planned to better delineate "Bimba Horizon" and overlying Broken Hill Group stratigraphy, structure and the margins of the third order basin, and to assist in targeting core drilling of the base metal prospects.

Joint venture	Region	Funded by
Callabonna	Curnamona Craton, SA	Red Metal
Quinyambie	"	Red Metal
Mundi Plains	Broken Hill, NSW	Teck Australia and UXA
Junction Dam	Curnamona Craton, SA	Teck Australia and UXA
Junction Dam	"	Marmota Energy
Kalabity	"	Crossland Uranium
Hillston	Broken Hill, NSW	Perilya
Eastern Tenement Block	Cobar, NSW	3E Steel

Investments

PlatSearch maintains a large, strategic investment portfolio in a number of mineral exploration and development companies. It has shareholdings in five listed resource companies, Eastern Iron Limited, WPG Resources Ltd, Silver City Minerals Limited, Thomson Resources Ltd and Aguia Resources Limited. Some of these investments are held by PlatSearch's wholly owned subsidiary Bluestone 23 Limited.

These investments originated from PlatSearch project generation activities, where PlatSearch tenements were vended into companies for equity, with subsequent increases in shareholdings through PlatSearch participation in later fund raisings. This investment strategy by PlatSearch has proven to be very successful, generating total returns on invested capital in excess of 500% over the last few years and establishing a significant cash and liquid asset base for the Company.

PlatSearch holds 52.5 million ordinary shares in **Eastern Iron Limited** (ASX: EFE) (approximately 45.8% of EFE). As at 6 March 2013, EFE shares were trading at \$0.061.

PlatSearch holds 18 million fully paid **Thomson Resources Ltd** shares (ASX: TMZ), or 25.7% of the company and 5 million options exercisable at 30 cents. As at 6 March 2013, TMZ shares were trading at \$0.040.

PlatSearch holds 14.3 million fully paid **Silver City Minerals Limited** shares (ASX: SCI), or 14.6% of the company and 4.78 million options exercisable at \$0.25 each. As at 6 March 2013, SCI shares were trading at \$0.085.

WPG Resources (ASX: WPG) is in the process of completing a \$3 million prefeasibility study (PFS) for its Giffen Well iron project in the Gawler Craton, South Australia. Giffen Well contains substantial Proterozoic BIF-hosted magnetite mineralisation. The PFS will examine the potential for an open cut mine and magnetite concentrator at Giffen Well, an open cut coal mine and power station at the wholly owned Penrhyn coal deposit and infrastructure to allow concentrate export through WPG's land at Port Pirie. Initial plans for Giffen Well estimate a 30 year mine life to produce 5 million tonnes of concentrate grading 68.5% Fe.

PlatSearch holds 10.4 million fully paid WPG shares, or 4.2% of the company. As at 6 March 2013, WPG shares were trading at \$0.095.

Agua Resources (ASX: AGR) is an exploration company with substantial phosphate and potash projects in Brazil. Agua recently announced good drilling results from the Tres Estradas carbonatite phosphate deposit which the company hopes to bring into production.



Aguia is investigating the possibility for an early mining start-up of the project from the high grade oxide zone that extends from surface.

PlatSearch currently holds 1,175,000 fully paid shares, as well as 200,000 options exercisable at \$0.50. As at 6 March 2013, Aguia shares were trading at \$0.145.

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.

Significant events after the balance date

There were, at the date of this report, no matters or circumstances which have arisen since 31 December 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.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration to the Directors as required under section 307C of the *Corporations Act 2001* is set out on page 18.

Signed at Sydney this 14th day of March 2013 in accordance with a resolution of the Directors.

Greg Jones
Managing Director

Consolidated Statement of Comprehensive Income

For the half year ended 31 December 2012



	Note	31 Dec 2012 \$	31 Dec 2011 \$
Revenue and other income	4	898,271	7,254,939
ASX and ASIC fees		(47,724)	(51,778)
Auditors' remuneration		(32,736)	(30,085)
Contract administration services		(93,769)	(103,942)
Depreciation expense		(37,233)	(45,833)
Directors' fees		(181,983)	(147,709)
Exploration and business development expenditure		(257,757)	(625,194)
Finance cost		(415,491)	(247,618)
Loss on options		(73,120)	(1,131,160)
Operating lease rental expense		(57,939)	(51,876)
Employee costs net of on-costs recharged to exploration projects		(791,686)	(639,052)
Share of net losses of associate accounted for by the equity method		-	(101,435)
Share-based compensation		(76,165)	(167,477)
Share registry costs		(13,852)	(22,786)
Travel and accommodation		(97,696)	(64,612)
Other expenses from ordinary activities		(270,932)	(212,467)
Profit (loss) before income tax expense		(1,549,812)	3,611,915
Income tax benefit/(expense)		248,409	(1,185,569)
Profit (loss) after income tax expense		(1,301,403)	2,426,346
Other comprehensive income			
Net fair value gains (losses) on available-for-sale financial assets		75,426	(3,951,897)
Income tax on items of other comprehensive income		722,983	439,958
Other comprehensive income (loss) for the period, net of tax		798,409	(3,511,939)
Total comprehensive income (loss) for the period		(502,994)	(1,085,593)
Profit/(loss) for the period is attributable to:			
Non-controlling interests		(34,621)	(247,886)
Owners of the parent		(1,266,782)	2,674,232
		(1,301,403)	2,426,346
Total comprehensive income/(loss) for the period is attributable to:			
Non-controlling interests		(34,621)	(247,886)
Owners of the parent		(468,373)	(837,707)
		(502,994)	(1,085,593)
Earnings per share			
Basic gain/(loss) per share (cents per share)	14	(0.72)	1.53
Diluted gain/(loss) per share (cents per share)	14	(0.72)	1.53

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

Consolidated Statement of Financial Position



As at 31 December 2012

	Note	31 Dec 2012 \$	30 Jun 2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	11,577,540	12,373,509
Receivables	6	246,764	172,661
Total current assets		11,824,304	12,546,170
Non-current assets			
Investments – available for sale	7	2,144,597	2,069,171
Investment in associates	8	928,747	900,000
Derivative financial instruments	9	94,016	143,036
Receivables	6	21,355	9,039
Tenement security deposits		308,350	248,350
Property, plant and equipment		256,970	294,202
Deferred exploration and evaluation expenditure	10	5,753,491	5,096,763
Deferred tax asset		2,459,149	1,457,868
Total non-current assets		11,966,675	10,218,429
Total assets		23,790,979	22,764,599
LIABILITIES			
Current liabilities			
Trade and other payables		254,948	456,081
Provisions		87,571	93,961
Derivative liability	16	27,886	-
Convertible note	16	1,560,367	-
Total current liabilities		1,930,772	550,042
Non-current liabilities			
Provisions		59,109	44,861
Deferred tax liability		29,889	-
Derivative liability	16	-	907
Convertible note	16	-	1,246,345
Total non-current liabilities		88,998	1,292,113
Total liabilities		2,019,770	1,842,155
Net assets		21,771,209	20,922,444
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	12	14,515,132	14,515,132
Reserves	13	3,666,354	2,837,018
Accumulated losses		(3,169,598)	(1,849,638)
Parent interests		15,011,888	15,502,512
Non-controlling interests		6,759,321	5,419,932
Total equity		21,771,209	20,922,444

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

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2012



	Contributed equity \$	Accumulated losses \$	Reserves \$	Non-controlling interest \$	Total equity \$
At 1 July 2011	14,515,132	(4,210,671)	7,212,455	5,338,118	22,855,034
Profit/(Loss) for the period	-	2,674,232	-	(247,886)	2,426,346
Other comprehensive income	-	-	(3,511,939)	-	(3,511,939)
Total comprehensive income for the period	-	2,674,232	(3,511,939)	(247,886)	(1,085,593)
Transactions with owners in their capacity as owners:					
Issue of share capital	-	-	-	450,000	450,000
Foreign currency	-	-	(19,179)	-	(19,179)
Share-based payments	-	-	61,382	106,095	167,477
At 31 December 2011	14,515,132	(1,536,439)	3,742,719	5,646,327	22,367,739

	Contributed equity \$	Accumulated losses \$	Reserves \$	Non-controlling interest \$	Total equity \$
At 1 July 2012	14,515,132	(1,849,638)	2,837,018	5,419,932	20,922,444
Profit/(Loss) for the period	-	(1,266,782)	-	(34,621)	(1,301,403)
Deferred tax adjustment	-	-	745,611	-	745,611
Other comprehensive income	-	-	52,798	-	52,798
Total comprehensive income for the period	-	(1,266,782)	798,409	(34,621)	(502,994)
Transactions with owners in their capacity as owners:					
Issue of share capital	-	-	-	1,348,660	1,348,660
Transfer expired options to Retained Earnings	-	389,549	(389,549)	-	-
Foreign currency	-	-	(73,066)	-	(73,066)
Share-based payments	-	-	50,815	25,350	76,165
Investment revaluation reserve adjustment	-	(442,727)	442,727	-	-
At 31 December 2012	14,515,132	(3,169,598)	3,666,354	6,759,321	21,771,209

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

Consolidated Statement of Cash Flows

For the half year ended 31 December 2012



	Note	31 Dec 2012 \$	31 Dec 2011 \$
Cash flows from operating activities			
Payment to suppliers and employees		(1,509,856)	(1,478,420)
Consultancy fees received		114,260	76,316
Interest received		213,507	211,338
Rental income		20,730	26,880
R&D tax offset		429,668	-
Dividend income		-	6,556,937
Net cash flows (used in)/from operating activities		(731,691)	5,393,051
Cash flows from investing activities			
Purchase of plant and equipment		(76,804)	(38,246)
Proceeds from sale of plant and equipment		28,190	-
Exploration and business development expenditure expensed		(1,130,588)	(1,839,688)
Tenement security deposit refunds/(payments)		(63,143)	(10,000)
Purchase of shares - investments		-	(400,751)
Capital return		-	4,371,292
Net cash flows (used in)/from investing activities		(1,242,345)	2,082,607
Cash flows from financing activities			
Proceeds from issue of shares to non-controlling interests		1,348,661	-
Payment of share issue costs		(54,400)	-
Convertible note costs		(101,370)	(100,000)
Net cash flows from/(used in) financing activities		1,192,891	(100,000)
Net increase/(decrease) in cash and cash equivalents		(781,145)	7,375,658
Cash and cash equivalents at beginning of period		12,373,509	6,887,732
Net foreign exchange differences		(14,824)	(9,150)
Cash and cash equivalents at end of period	5	11,577,540	14,254,240

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

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2012



1. Corporate information

The financial report of PlatSearch NL (PlatSearch or the Company) for the half year ended 31 December 2012 was authorised for issue in accordance with a resolution of the Directors on 14th March 2013. PlatSearch NL (the parent) is a company incorporated in Australia as a No Liability company. PlatSearch shares are publicly traded on the Australia Securities Exchange under ASX Code PTS.

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

2. Basis of preparation of the half year financial report

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

The half year financial report should be read in conjunction with the annual Financial Report of PlatSearch as at 30 June 2012.

It is also recommended that the half year financial report be considered together with any public announcements made by PlatSearch during the half year ended 31 December 2012 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Basis of Preparation

The half year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The half year financial report has been prepared on a historical cost basis except for Available for Sale Investments and Derivatives, which have been measured at fair value.

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

Significant Accounting Policies

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2012.

Basis of Consolidation

The half year consolidated financial statements comprise the financial statements of PlatSearch NL and its subsidiaries (the Group). The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. The subsidiaries are 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 includes PlatSearch NL and its wholly owned subsidiaries.

3. Segment information

The operating segments identified by management are as follows:

- (a) Exploration projects funded directly by PlatSearch ("Exploration") and;
- (b) 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 10 of the half year 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 10.

Notes to the Consolidated Financial Statements



For the half year ended 31 December 2012

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 7, 8 and 9 of the half year financial report. Segment revenues are disclosed in the statement of comprehensive income as 'Gain/(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.

4. Revenue and other income

	31 Dec 2012 \$	31 Dec 2011 \$
Revenue		
Interest received – other persons/corporations	286,064	255,637
Rental income	20,730	23,340
Consulting fees	113,962	98,876
Other Income		
Gain on options	14,676	28,650
Dividend income	-	6,556,937
Gain on derivatives	4,424	291,499
R&D tax concession offset	429,668	-
Share of net profits of associate accounted for using the equity method	28,747	-
	898,271	7,254,939

5. Cash and cash equivalents

	31 Dec 2012 \$	30 Jun 2012 \$
Cash at bank and in hand	869,003	2,190,489
Short-term deposits	10,708,537	10,183,020
	11,577,540	12,373,509

Notes to the Consolidated Financial Statements



For the half year ended 31 December 2012

6. Receivables

	31 Dec 2012 \$	30 Jun 2012 \$
Current		
Trade receivables	46,954	24,259
GST receivable	9,752	17,255
Interest receivable	143,080	70,524
Prepayments	38,091	55,320
Other debtors	8,887	5,303
Total current receivables	246,764	172,661
Non-current		
Other debtors	21,355	9,039

7. Investments – available for sale

	31 Dec 2012 \$	30 Jun 2012 \$
Investments – WPG (a)	738,956	603,655
Investments – AGR (b)	188,000	176,250
Investments – SCI (c)	1,217,641	1,289,266
	2,144,597	2,069,171

- (a) The market value on ASX of PlatSearch's 10,407,837 shares in WPG at 31 December 2012 was \$738,956 (\$0.071 per share) and on 6 March 2013 it was \$988,745 (\$0.095 per share).
- (b) The market value on ASX of the Group's 1,175,000 shares in Agua Resources Limited (AGR) at 31 December 2012 was \$188,000 (\$0.16 per share) and on 6 March 2013 was \$170,375 (\$0.145 per share).
- (c) The market value on ASX of the Group's 14,325,182 shares in Silver City Minerals Limited (SCI) at 31 December 2012 was \$1,217,641 (\$0.085 per share) and on 6 March 2013 was \$1,217,641 (\$0.085 per share).

8. Investment in associates

	31 Dec 2012 \$	30 Jun 2012 \$
Investment in TMZ - accounted for using the equity method	928,747	900,000

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.

Thomson Resources Ltd

In July 2009 Thomson Resources Limited (TMZ) was incorporated. 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 TMZ raised additional capital totalling \$2,562,000 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. 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.

Notes to the Consolidated Financial Statements



For the half year ended 31 December 2012

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. As at 31 December 2012 the Group holds a total of 18,000,000 shares in Thomson Resources representing a shareholding of 25.65%.

9. Derivative financial instruments

	31 Dec 2012	30 Jun 2012
	\$	\$
Share options – AGR (a)	1,340	32,560
Share options – SCI (b)	81,176	65,976
Share options – TMZ (c)	11,500	44,500
	94,016	143,036

(a) The PlatSearch Group holds 200,000 unlisted options in Agua 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 a Black Scholes with binomial variation model and the following assumptions: expected volatility of 54.5266%, risk-free interest rate of 2.58%, dividend yield nil and an option life of 2 years. This results in a fair value of \$1,340 at 31 December 2012.

(b) PlatSearch holds 3,000,000 unlisted 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 a Black Scholes with binomial variation model and the following assumptions: expected volatility of 60.2657%, risk-free interest rate of 2.58%, dividend yield nil and an option life of 0.5 years. This results in a fair value of Nil at 31 December 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 \$47,750.61. 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 options in Silver City Minerals Limited (SCI) at 31 December 2012 was \$81,176 (\$0.017 per option).

(c) PlatSearch holds 5,000,000 unlisted 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 a Black Scholes with binomial variation model and the following assumptions: expected volatility of 76.7969%, risk-free interest rate of 2.58%, dividend yield nil and an option life of 1.95 years. This results in a fair value of \$11,500 at 31 December 2012.

10. Deferred exploration and evaluation expenditure

	31 Dec 2012	30 Jun 2012
	\$	\$
Costs brought forward	5,096,763	3,125,172
Expenditure incurred during the period	919,485	2,790,380
Acquisition of tenements	-	618,000
Expired options in tenement costs	(5,000)	-
Expenditure written off during the period	(257,757)	(1,436,789)
Costs carried forward	5,753,491	5,096,763

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.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2012



11. Contingent liabilities

The Group has provided guarantees totalling \$160,000 (30 Jun 2012: \$110,000) in respect of exploration tenements and the guarantees are secured against short term deposits of these amounts. Additional guarantees of \$148,350 (30 Jun 2012: \$138,350) in respect of exploration tenements are secured against deposits with NSW Minerals and Energy, Victorian Department of Primary Industries – DEEDI Queensland. The Group does not expect to incur any material liability in respect of the guarantees.

12. Contributed equity

	31 Dec 2012 \$	30 Jun 2012 \$
Share capital		
175,287,592 ordinary shares fully paid (30 June 2012 : 175,287,592)	14,510,632	14,510,632
450,000 ordinary shares paid to \$0.01 with \$0.24 unpaid (30 June 2012 : 450,000)	4,500	4,500
	14,515,132	14,515,132

13. Reserves

	31 Dec 2012 \$	30 Jun 2012 \$
Share-based compensation reserve (a)	1,270,757	1,609,490
General reserve (b)	(229,108)	(229,108)
Investment revaluation reserve (c)	1,647,988	406,853
Foreign currency translation reserve (d)	(118,451)	(45,385)
Convertible note option reserve (e)	1,095,168	1,095,168
	3,666,354	2,837,018

- (a) The share-based compensation reserve is used to recognise the fair value of options issued but not exercised.
- (b) The general reserve represents the change in the value of non-controlling interests resulting in the exercise of Eastern Iron Limited options during the financial period.
- (c) The investment revaluation reserve arises in connection with the accounting for investments as per Note 7.
- (d) The foreign currency translation reserve arises from the translation of foreign currency subsidiaries.
- (e) The convertible note option reserve is used to record the fixed equity component of the convertible notes issued in December 2010. Refer to Note 16.

14. Earnings/(loss) per share

	31 Dec 2012 \$	31 Dec 2011 \$
Net profit/(loss) used in calculating basic and diluted gain per share	(1,266,782)	2,674,232
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	Number 175,305,592	Number 175,305,592
Basic earnings/(loss) per share	Cents per share (0.72)	Cents per share 1.53
Diluted earnings/(loss) per share	(0.72)	1.53

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

Notes to the Consolidated Financial Statements



For the half year ended 31 December 2012

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 31 December 2012: Since the end of the financial half year there have been no other conversions to, call of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of these financial statements.

15. Related party disclosures

Subsidiaries

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

Name	Country of incorporation	% Equity interest		\$ Investment	
		31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012
Bluestone 23 Pty Ltd	Australia	100	100	5,000	5,000
Eastern Iron Limited	Australia	45.78	45.78	3,100,385	1,950,385
Variscan Mine SAS	France	100	100	1,007,679	1,478

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. Mr Kwan and Dr Foo, Directors of PlatSearch, have an interest in and are directors of Luminor Capital and Mr Champaklal, alternate Director for Mr Kwan, is a director of 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 half year the Company provided technical and administrative support services to its associated company Thomson Resources Limited (TMZ). Services provided to TMZ \$58,392 (2011: \$40,731) consisting of payments received for consulting, use of office space and office services.

16. 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 for the Company.

The general terms of the issue are:

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

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:

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2012



	\$
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.

The balances and movements of the convertible note and derivative liability components are as follows:

	31 Dec 2012 \$	30 Jun 2012 \$
Convertible Note Liability		
Opening balance	1,246,345	951,109
Add interest expense	415,491	495,236
Less interest paid	(101,469)	(200,000)
Closing balance	1,560,367	1,246,345
Derivative Liability		
Opening balance	907	300,475
Revaluation adjustment	26,979	(299,568)
Closing balance	27,886	907

17. Events after the balance sheet date

There were, at the date of this report, no matters or circumstances which have arisen since 31 December 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.

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 31 December 2012 and of its performance for the half year ended on that date of the consolidated entity; and
 - (ii) Complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- (b) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Greg Jones
Managing Director

Sydney, 14th March 2013



Accountants | Business and Financial Advisers

PLATSEARCH NL

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PlatSearch NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of PlatSearch NL ("the company") which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

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PLATSEARCH NL

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of PlatSearch NL would be in the same terms if given to the directors as at the time of this independent auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PlatSearch NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

HLB MANN JUDD
Chartered Accountants

M D Muller
Partner

Sydney
14 March 2013



Accountants | Business and Financial Advisers

PLATSEARCH NL
AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of PlatSearch NL:

As lead auditor for the review of PlatSearch NL for the half-year ended 31 December 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 review;
and
- (b) any applicable code of professional conduct in relation to the review.

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

M D Muller
Partner

Sydney
8 March 2013

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

Email: mailbox@hlnsw.com.au | Website: www.hlb.com.au

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Platsearch NL

ABN 16 003 254 395

Directors

Patrick Elliott	Non-Executive Chairman
Greg Jones	Managing Director
Kwan Chee Seng	Non-Executive Director
Dr Foo Fatt Kah	Non-Executive Director
Alan Breen	Non-Executive Director
Kantilal Champkaplal	Alternate to Kwan Chee Seng

Company Secretary

Ivo Polovineo

Registered and Administration Office

Level 1, 80 Chandos Street
St Leonards, NSW 2065
PO Box 956, Crows Nest
NSW 1585 Australia

Telephone: +61 2 9906 5220
Facsimile: +61 2 9906 5233
E-mail: pts@platsearch.com.au
Website: www.platsearch.com.au

Share Register

Boardroom Pty Limited
GPO Box 3993
Sydney, NSW 2001

Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
Website: www.boardroomlimited.com.au

Auditors

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

Stock Exchange

Listed on the Australian Securities Exchange
ASX Code: PTS

Share Capital

At 31 December 2012, 175,287,592 fully paid ordinary shares, 450,000 partly paid shares to 1 cent (24 cents payable), 26,190,000 options on issue and 16,666,667 convertible notes.