

gsh/psh/gsh785

29 October 2009

The Manager - Company Announcements Office
Australian Securities Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Via ASX Online

Number of pages – 19

Dear Sir,

Quarterly activity report to 30 September 2009

Enclosed for release to the market is the Company's activity report for the quarter ended 30 September 2009 together with a duly completed Appendix 5B report for the period.

For and on behalf of the directors of
Goldsearch Limited



P S Hewson
Secretary

SIGNIFICANT DEVELOPMENTS

Mary Kathleen project

- Goldsearch signs joint venture agreement with China Yunnan Copper Australia Limited (ASX:CYU).
- Site access tracks are being prepared for planned drilling programs at the Elaine Dorothy uranium prospect and a number of copper prospects.

East Musgrave joint venture

- Independence Group NL currently conducting electro-magnetic (EM) geophysical surveys over priority targets.

Bergslagen joint venture - Sweden

- Ground induced polarisation (IP) geophysical surveys at the Jugansbo target to commence in early November. Previous drilling results at Jugansbo include 9.2 metres at 222 grams per tonne (g/t) silver, 7.48% zinc, 2.27% lead from 81.4 metres down hole and 6.45 metres at 77 g/t silver, 4.31% zinc 2.66% lead from 99.25 metres.

Equity investments

- Strategic investment in Morning Star Gold NL.
- Increase in market value of Goldsearch equity investments to \$4,041,000 during the September 2009 quarter.

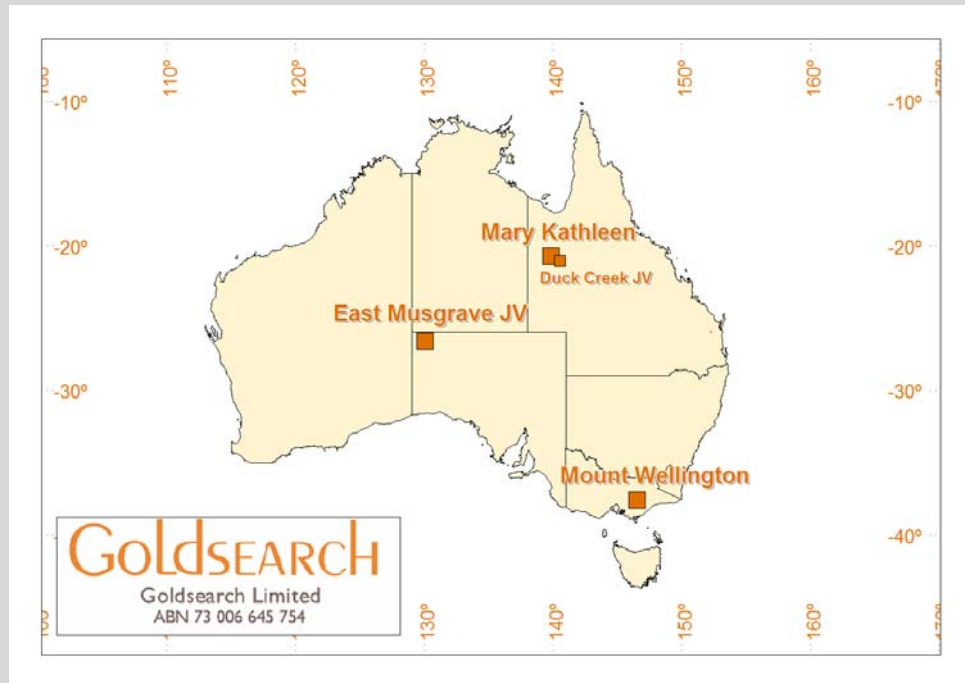
Goldsearch Limited
ABN 73 006 645 754

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Street
SYDNEY NSW 2000

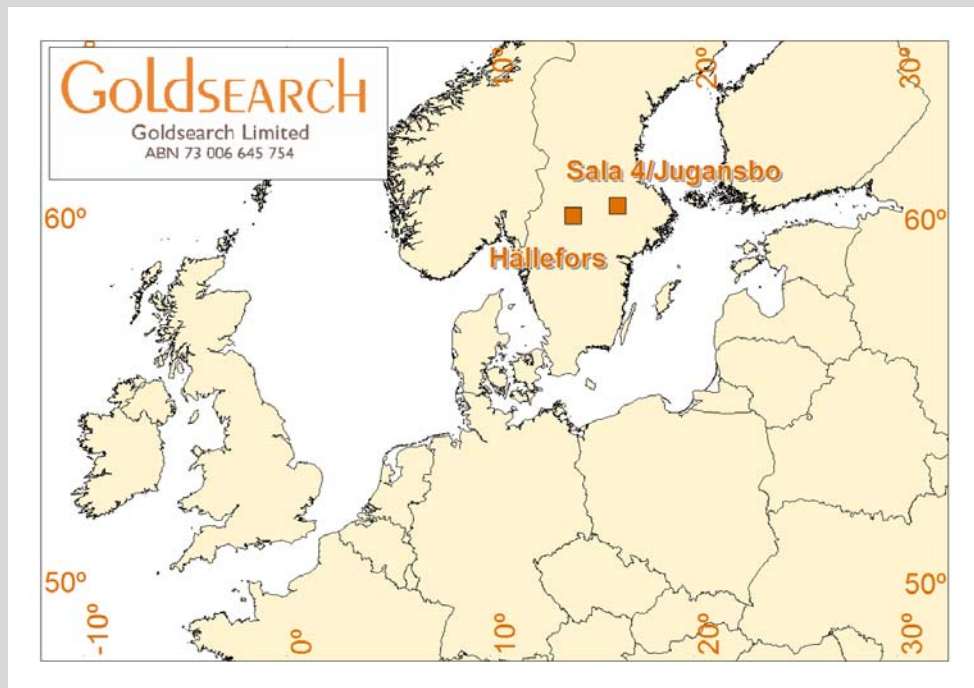
ASX: GSE



GoldSEARCH



Goldsearch Limited - Australian project locations.



Goldsearch Limited - Swedish project areas.

MOUNT WELLINGTON PROJECT (VICTORIA)

100% Goldsearch - gold, silver, zinc, copper, lead

The Mount Wellington project is located 20 kilometres south-east of the town of Jamieson and 10 kilometres east of the Morning Star gold mining centre in eastern Victoria. The total project area covers 365 square kilometres.

There are several known mineral occurrences at Mount Wellington. Significant gold (+/- silver and base metal) mineralisation has been intercepted in drilling by previous explorers at Hill 800 and Rhyolite Creek (*Figure One*). Mineralisation is hosted by Cambrian-aged volcanic rocks and various genetic styles for this mineralisation have been proposed by past explorers.

At Hill 800, using a cut-off grade of 0.8 grams per tonne (g/t) gold, the inferred mineral resource is calculated by Goldsearch to be 1,118,000 tonnes with an average grade of 1.5 g/t gold for 52,200 contained ounces of gold.

Goldsearch believes the project has significant potential for large intrusion-related gold and base metal ore deposits, along with the potential for high-grade epithermal gold/silver deposits and volcanogenic base metal mineralisation. In early 2009 Goldsearch established a semi-permanent eight person camp at the project area in support of ongoing field operations.

An initial Goldsearch drilling program was completed at the Rhyolite Creek and Mikes Bluff targets during the June 2008 quarter with one hole drilled at each target. A program of ground IP (induced polarisation) electrical geophysics and follow-up drilling at the Rhyolite Creek target (2 holes) was completed during the December 2008 and March 2009 quarters.

GOLDSEARCH

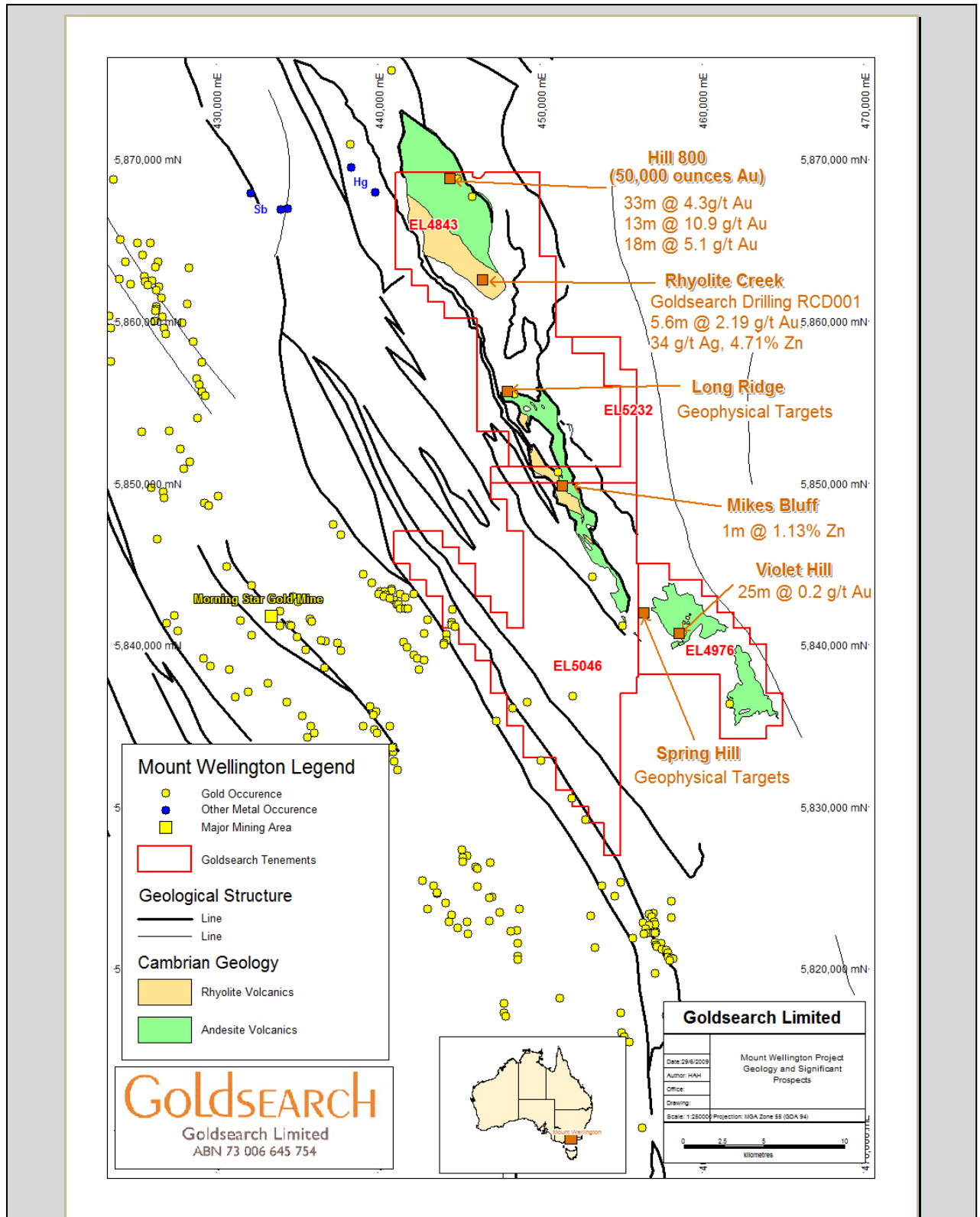


Figure One: Mount Wellington project - Geology, target locations and previous drill results.

Drilling undertaken by Goldsearch to date at the Rhyolite Creek target has defined a zone of gold, silver, copper, lead, zinc mineralisation over an area of at least 300 metres x 200 metres. The mineralisation is associated with a horizon of massive to semi-massive sulphides at a major lithological contact between felsic and intermediate volcanic sequences and is related to an extensive zone of hydrothermal alteration. Extensive zones of low-grade zinc mineralisation within the footwall intermediate volcanics suggest a potentially significant mineralising system. Mineralisation is not believed to be syn-volcanic (Cambrian) and is thought to be related to a later (Devonian) hydrothermal event, possibly associated with the emplacement of magmatic bodies during the major orogenic event at that time. Numerous geophysical targets have been identified within the project area which may represent the magmatic sources to the mineralising events in the area.

Table One: Rhyolite Creek – Previous Goldsearch drilling.

Hole ID	Type	East (metres) (GDA94)	North (metres) (GDA94)	Azimuth (degrees)	Declination (degrees)	Final depth (metres)
RCD001	DD	446814	5862758	234	-60	504
RCD002	DD	446816	5862760	45	-61	246
RCD003	DD	446777	5863028	225	-60	500.3

Table Two: Rhyolite Creek - Significant assay results – Previous Goldsearch drilling.

Hole ID	From (m)	To (m)	Interval (m)	Au (AAS) (g/t)	Au (FA) (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)
RCD001	220	225.6	5.6	1.02	2.19	34	0.18	0.41	4.71
	<i>Incl.</i>								
RCD001	223	224	1	3.3	8.95	127	0.43	1.52	14.7
RCD001	224	224.4	0.4	2.59	3.63	79.6	0.81	1.35	17.9
RCD001	220	280	60	-	-	-	0.07	-	1.1
RCD002	194	195.5	1.5	0.19	-	6.0	-	0.02	0.22

GOLDSEARCH

RCD003	177.8	180.4	2.6	1.99	-	12.6	-	0.02	0.10
RCD003	354.5	361.5	7	0.01	-	0.3	0.03	-	0.39
RCD003	397	410.3	13.3	0.02	-	1.04	0.05	-	0.62
RCD003	442	454.4	12.4	0.02	-	0.3	0.05	-	0.36

(Note: AAS - Aqua regia digest, atomic absorption spectrometry determination, FA - Fire assay, g/t – grams per tonne, m – metres)

The interpreted up-dip extension of the mineralisation intercepted in drilling is coincident at surface with significant zinc-in-soil geochemical anomaly extending over an area of 1000 metres x 150 metres. The area drilled to date is, in places, disrupted by younger, unmineralised dolerite dykes. Much of the target horizon in holes RCD002 and RCD003 was obscured by these later dykes. Future drilling will target areas away from interpreted dyke positions.

Goldsearch received \$46,000 in government assistance to drill hole RCD003 courtesy of the Re-discover Victoria initiative.

During the September 2009 quarter compilation of proposed work programs was ongoing.

Drilling results at Rhyolite Creek are now being reconciled with results from the ground IP geophysical survey with the aim of defining further drill targets to be tested during the 2009/2010 field season. Geological mapping, regional geophysical data and historical exploration results are also being assessed for a number of other regional targets. Goldsearch currently intends to once again apply for funding for future drill programs under the anticipated third round of the Re-discover Victoria initiative.

MARY KATHLEEN PROJECT (QUEENSLAND)

Goldsearch diluting to 30% (non manager) - copper, gold, uranium

During the September 2009 quarter Goldsearch announced an agreement with China Yunnan Copper Australia Limited (ASX code: CYU). Under the terms of the agreement China Yunnan Copper Australia can earn up to a 70% interest in Goldsearch's Mary Kathleen project tenements by spending \$1.5million on exploration within three years.

Also, under the terms of the agreement, China Yunnan Copper Australia will issue to Goldsearch options to purchase shares in CYU at a price of \$0.40 per share. The options will be issued in two tranches;

- 2,000,000 options to be exercised on or before 20 August 2011.
- 1,000,000 options to be exercised on or before 20 August 2012.

Since finalising the agreement China Yunnan Copper Australia has undertaken access track refurbishment and preparatory work in anticipation of drilling at a number of copper targets along with drilling at the Elaine Dorothy target area where previous exploration drilling by Goldsearch and others has intercepted up to 2.3 metres at 0.262% uranium oxide (U_3O_8) from 26 metres, 9.5 metres at 0.036% U_3O_8 from 13.5 metres and 2 metres at 0.134% U_3O_8 from 100 metres down hole depth.

Goldsearch currently anticipates drilling programs to be completed in late 2009 or early 2010.

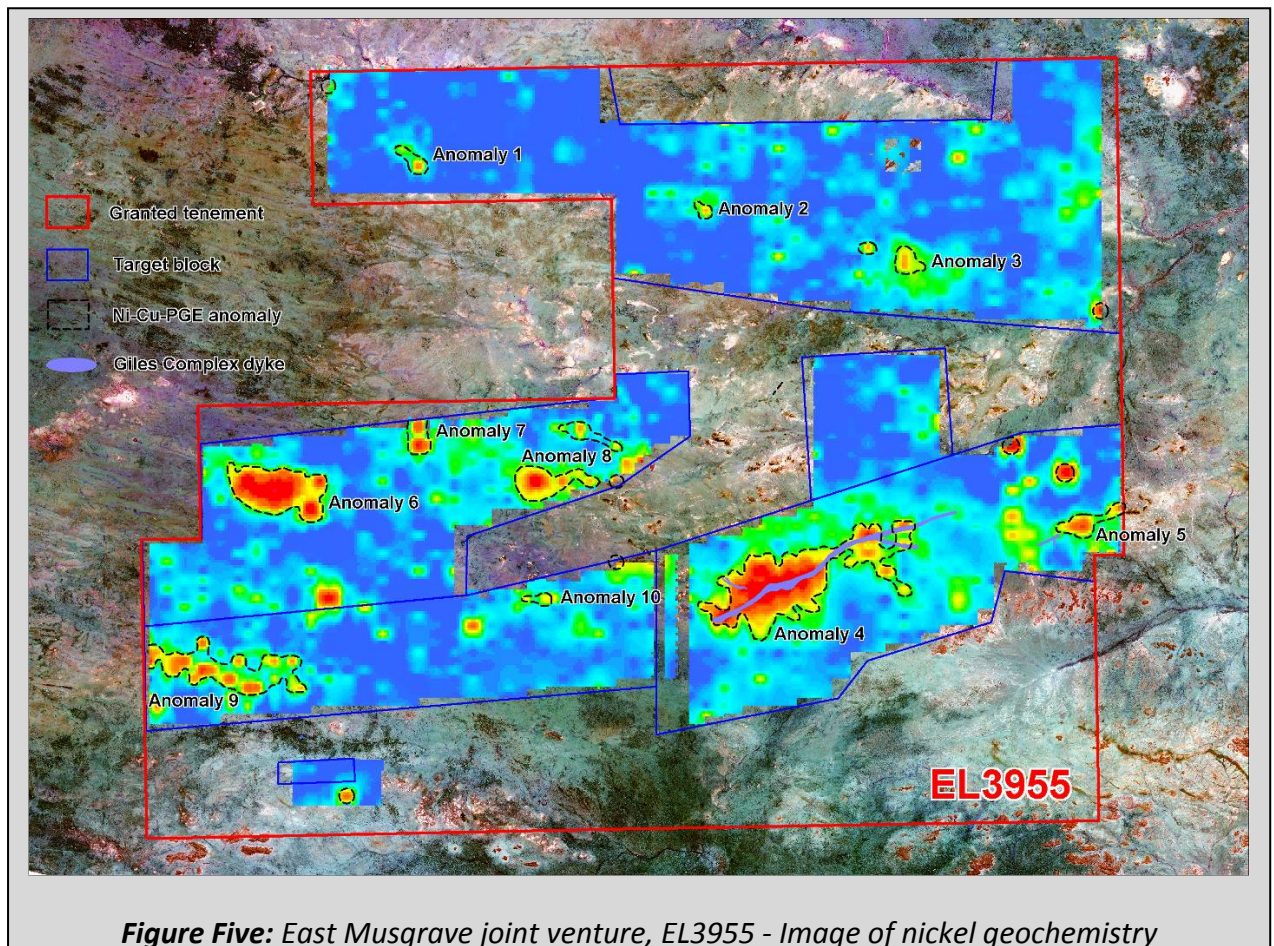
EAST MUSGRAVE JOINT VENTURE (SOUTH AUSTRALIA)

Goldsearch 51% (non manager) - nickel, copper, platinum

The East Musgrave project is a joint venture between Goldsearch Limited (49%) and Independence Group NL (51%).

Recently a program of ground electromagnetic (EM) geophysics commenced over priority targets within EL3955. This program originally targeted anomaly 4 and anomaly 6 and has since been expanded to include a test of anomaly 3 and anomaly 8.

Final results from the survey, which aims to define potential nickel sulphide targets for future drill testing, are anticipated prior to the end of the December 2009 quarter.



BERGSLAGEN JOINT VENTURE (SWEDEN)

Goldsearch earning 70% (manager) - silver, lead, zinc

In May 2008 Goldsearch entered an agreement with TSX[V] listed Tumi Resources Ltd to earn an interest in a number of prospective base metals areas in Sweden. Following the decision to withdraw from one of the areas during the March 2009 quarter, Goldsearch is currently earning a 70% interest in three exploration licences which cover two separate target areas located approximately 200 kilometres north-west of Stockholm. Under the terms of the joint venture with Tumi Resources, Goldsearch can earn 70% of the projects by spending up to €1million over three years.

The initial minimum commitment by Goldsearch is to fund a skyTEM airborne electromagnetic (EM) and magnetic survey. Also under the terms of the joint venture agreement, Goldsearch must incur expenses of €100,000 (including the EM Survey) within year 1, €300,000 in year 2 and total cumulative expenses of €1 million by the end of year 3.

During the December 2008 quarter Goldsearch undertook field evaluation of a number of targets generated from the completed airborne EM survey. This evaluation highlighted a number of targets recommended for further evaluation using more detailed ground IP geophysics.

The airborne EM survey highlighted significant bedrock conductors in the Jugansbo area where drilling by previous explorers had intercepted best results of 9.2 metres at 222 g/t silver, 7.48% zinc, 2.27% lead from 81.4 metres down hole and 6.45 metres at 77 g/t silver, 4.31% zinc and 2.66% lead from 99.25 metres.

A ground IP geophysical survey is scheduled to commence over a priority target in the Jugansbo area during November. Results from this survey are anticipated prior to the end of the December 2009 quarter. The aim of the geophysical survey is to define potential silver and base metal sulphide targets to be tested by drilling during 2010.

Goldsearch equity investments

Morning Star Gold (ASX: MCO)

www.morningstargold.com.au

Goldsearch Limited announced that, during the September 2009 quarter, it acquired a strategic interest in Morning Star Gold NL, which has the Morning Star gold mine located approximately 10 kilometres west of Goldsearch's Mount Wellington project. Goldsearch purchased 5,000,000 listed options exercisable at \$0.10 in Morning Star Gold from a syndicate of major shareholders at a price of \$0.10 per option. The options expire on 31 March 2010. Goldsearch decided to exercise the options immediately in order to provide additional funding for the ongoing development and start of production at the Morning Star gold mine. After several years of planning by Morning Star Gold, ore is now being hoisted to the surface from two stoping areas and stockpiled for toll treatment.

The total cost of Goldsearch's investment in Morning Star Gold is \$1,000,000 and it currently represents a 3.9% equity interest in the company, which had a market value of \$1,575,000 as at 30 September 2009.

About Morning Star Gold NL

Morning Star Gold (ASX: MCO) is 100% owner and manager of the Woods Point Gold Project in Victoria's historic Eastern gold fields. The company's tenements are adjoining over 220 square kilometres and yielded over 2 million ounces of gold historically from various high-grade mines in close proximity to Woods Point. Nearly half of this production was sourced from the Morning Star mine, which was mined for around a million tonnes of ore at just under an ounce to the tonne for a recorded production of 883,000 ounces of gold. At one point in the early 1940s, the Morning Star mine was Australia's biggest gold mine. Gold Mines of Australia (WMC) operated it for 25 years (1934-1959). Other gold production on MCO's regional tenements was generally confined to relatively shallow workings in the weathered zone above the water table. Key current targets for new exploration and development include the Wallaby, All Nations, Loch Fyne, Rose of Denmark, Hunts and Waverly mines. These mines produced over 320,000 ounces of gold at similarly high grades historically. The Morning Star mine also carries an in situ gold resource, estimated in 2008 to exceed 900,000 ounces. This resource is in the process of being re-validated and re-evaluated.

For further information please contact Nick Garling, Morning Star's Managing Director at nick.garling@morningstargold.com.au or you can subscribe to E-Alerts for all Morning Star's news and ASX releases at www.morningstargold.com.au



Independence Group NL (ASX: IGO)

www.independencegroup.com.au

Independence Group (IGO) currently operates the highly profitable Long Nickel Mine at Kambalda in Western Australia, where in-mine exploration over recent years has discovered significant new mining resources/reserves at the McLeay and Moran deposits, considerably extending the mine life of the operation. In joint venture with Anglo Gold Ashanti Limited, Independence Group is currently conducting a feasibility study on the development of a mining operation to exploit the 5 million ounce gold resource at the Tropicana Project in Western Australia.

Goldsearch currently owns 200,000 ordinary shares in IGO which had a market value of \$910,000 at the end of the September 2009 quarter.

Rex Minerals Limited (ASX: RXM)

www.rexminerals.com.au

Rex Minerals (RXM) is currently exploring for copper at Hillside in South Australia and Mount Carrington in New South Wales. Encouraging high-grade copper results have been returned from drilling at both projects.

Goldsearch currently owns 650,000 ordinary shares in RXM which had a market value of \$1,456,000 at the end of the September 2009 quarter. During the quarter Goldsearch exercised 500,000 Rex Minerals options at 30 cents each for a total cost of \$150,000.

Queensland Mining Corporation Limited (ASX: QMN)

www.queenslandminingcorporation.com.au

Queensland Mining Corporation (QMN) is currently evaluating a number of priority copper/gold targets in the Cloncurry district in north-west Queensland, near the recent copper discoveries of Cudoco (CDU).

Goldsearch currently owns 2,000,000 unquoted options over shares in QMN. The options are exercisable at 50 cents each and expire in November 2009. These options were out of the money at 30 September 2009.



China Yunnan Copper Australia Limited

www.cycal.com.au

China Yunnan Copper Australia (ASX code: CYU) is currently exploring for copper and gold in the Cloncurry region in far north-west Queensland. China Yunnan Copper Australia is also pursuing advanced copper project acquisitions under a mandate from its majority shareholder Yunnan Copper Industry (Group) Co Ltd. Yunnan Copper Industry (Group) is one of China's largest copper producers and is majority owned by Chinalco, China's largest aluminium producer.

Goldsearch currently owns 2,000,000 August 2011 and 1,000,000 August 2012 share options in CYU exercisable at 40 cents each which are not valued at present being unlisted options.

STATEMENT

Technical information contained in this report was prepared by the Company's Exploration Manager, Mr Heath Hellewell, who is a Member of the Australian Institute of Geoscientists. Mr Hellewell has over 16 years of relevant experience, and qualifies 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 Hellewell consents to the inclusion of his technical information in this report in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001

Name of entity

Goldsearch Limited

ABN

73 006 645 754

Quarter ended ("current quarter")

30 September 2009

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(149)	(149)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(160)	(160)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – grant Income	46	46
	Net operating cash flows	(259)	(259)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	(1,151)	(1,151)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	1,355	1,355
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	204	204
1.13	Total operating and investing cash flows (carried forward)	(55)	(55)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(55)	(55)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1	1
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) – issue costs	-	-
	Net financing cash flows	1	1
	Net increase (decrease) in cash held	(54)	(54)
1.20	Cash at beginning of quarter/year to date	420	420
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	366 ⁽¹⁾	366 ⁽¹⁾

Note 1: in addition to the cash on hand the Company has access to further working capital through realisation of the Company's investments in listed securities. At the end of the quarter, the Company's investments in listed securities had a market value of \$4.041 million

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	94
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- Directors' fees & expenses	87,171
- Directors' superannuation	6,495

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	N/A
3.2 Credit standby arrangements Market value of listed securities as of 30 Sept 2009 (see note to paragraph 1.22 above)	4,041	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	275
4.2 Development	-
Total	275

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	333	41
5.2 Deposits at call	33	379
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	366	420

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPM 17365 Milton Range South	EPM covering an area of 76.80 sq kms was surrendered on 08 July 2009	100%	0%
	EPM 17366 Nagoorin South	EPM covering an area of 134.4 sq kms was surrendered on 08 July 2009	100%	0%
	EPM 17367 Nagoorin West	EPM covering an area of 78.20 sq kms was surrendered on 08 July 2009	100%	0%
	EPM 17368 Bocolima	EPM covering an area of 67.20 sq kms was surrendered on 08 July 2009	100%	0%
	EPM 17371 Tableland	EPM covering an area of 67.20 sq kms was surrendered on 08 July 2009	100%	0%
	EL 5046 Mike's Bluff	Tenement area reduced from 234 to 175 graticular sections during the quarter	100%	100%
6.2 Interests in mining tenements acquired or increased	NIL		N/A	N/A

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (cents) (see note 3)	Amount paid up per security (cents) (see note 3)
7.1 Preference + securities <i>(description)</i>	Nil	N/A	N/A	N/A
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A
7.3 +Ordinary securities	367,764,517	367,764,517	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (exercise of quoted options) (b) Decreases through returns of capital, buy-backs	15,000	15,000	10 cents	fully paid
	Nil	N/A	N/A	N/A

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.5	+Convertible debt securities (<i>description</i>)	Nil	N/A	N/A	N/A
7.6	Changes during quarter				
	(a) Increases through issues	N/A	N/A	N/A	N/A
	(b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A
7.7	Options			Exercise price	Expiry date
	Listed options	90,417,809	90,417,809	10.0 cents	31 October 2009
	Unlisted options	8,000,000	-	5.0 cents	31 January 2010
		8,000,000	-	7.5 cents	31 January 2010
7.8	Issued during quarter				
	Listed options	Nil	N/A	N/A	N/A
	Unlisted options	Nil	N/A	N/A	N/A
7.9	Exercised during quarter				
	Listed options	15,000	15,000	10 cents	31 October 2009
	Unlisted options	Nil	Nil	N/A	N/A
7.10	Expired during quarter				
	Listed options	Nil	N/A	N/A	N/A
	Unlisted options	Nil	N/A	N/A	N/A
7.11	Debentures (<i>totals only</i>)	Nil	N/A		
7.12	Unsecured notes (<i>totals only</i>)	Nil	N/A		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 29 October 2009

Print name: P S Hewson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.