

gsh/psh/gsh778

3 September 2009

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

Via ASX Online

No. of pages – 4

Dear Sir,

Strategic investment in Morning Star Gold NL (MCO)

Please find attached an ASX announcement advising of a strategic investment by Goldsearch in Morning Star Gold NL.

For and on behalf of the directors of
Goldsearch Limited



P S Hewson
Secretary

ASX Announcement

3 September 2009

Investment in Morning Star Gold

SIGNIFICANT DEVELOPMENTS

Goldsearch makes a strategic investment in Morning Star Gold NL (MCO), as the first ore is mined - since 1963 - following the refurbishment of the historic Morning Star Gold Mine.

Goldsearch Limited
ABN 73 006 645 754

Level 4 / 20 Loftus
Street
SYDNEY NSW 2000

ASX: GSE,
GSEO





ANNOUNCEMENT

Goldsearch Limited (ASX:GSE) is pleased to announce that following a recent adjustment in its equity investment portfolio it has made a strategic investment in Morning Star Gold NL (ASX: MCO).

Goldsearch recently purchased 5,000,000 listed options exercisable at \$0.10 in Morning Star Gold NL. The options expire on 31 March 2010.

Goldsearch has decided to exercise all of the options in order to provide additional funding for the ongoing development and start up of production at the Morning Star Gold Mine. After several years of planning by Morning Star Gold NL, ore is now being hoisted to the surface from two stoping areas and stockpiled.

The total of Goldsearch's investment in Morning Star Gold NL is over \$1,000,000 and this will result in Goldsearch owning approximately 3.9% of the company.

About Morning Star Gold NL

Morning Star Gold NL (ASX: MCO) is 100% owner and manager of the Woods Point Gold Project in Victoria's historic Eastern gold fields. The MCO tenements are contiguous over 220 square kilometres and yielded about 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 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 about 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 ozs. This resource is in the process of being revalidated and re-evaluated.



ANNOUNCEMENT

Goldsearch has been monitoring progress at Morning Star closely over recent years and believes, not only is the short term potential at the Morning Star Mine excellent, but so is the potential for further exploration discoveries. The Morning Star leases and surrounding exploration licences are 20 kilometres west from Goldsearch's Mount Wellington Project area, where Goldsearch believes it potentially has the deeper magmatic zones of several large Devonian-aged mineralising systems in a belt which parallels the Woods Point Belt. Goldsearch believes there is possibly a genetic relationship between the higher level Devonian aged gold mineralisation in the Woods Point Belt and deeper potentially magmatic intrusion related mineralisation at Mount Wellington. On this basis the ultimate size potential of many of the regional exploration targets at Woods Point are considered excellent.

For further information contact:

Mr John Percival

Executive Director – Operations

Tel: 02 9241 5999 or visit www.goldsearch.com.au

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.