

gsh/psh/gsh797

29 July 2010

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

Via ASX Online

Number of pages – 15

Dear Sir,

Quarterly activity report to 30 June 2010

Enclosed for release to the market is the Company's activity report for the quarter ended 30 June 2010 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

- At the time of this report drilling has commenced at the Mount Dorothy Prospect. The drilling follows up on previous results of 110 metres grading 0.57% copper, intercepted in drilling by MIM in 1992.

East Musgrave joint venture

- Musgrave Minerals Limited has been incorporated and the first tranche of \$200,000 seed capital subscribed. Musgrave Minerals plans to launch an initial public offer (IPO) to raise \$10 million and to list on the Australian Securities Exchange (ASX).

Equity investments

- The market value of the Company's equity investments at 30 June 2010 was \$2,636,500.

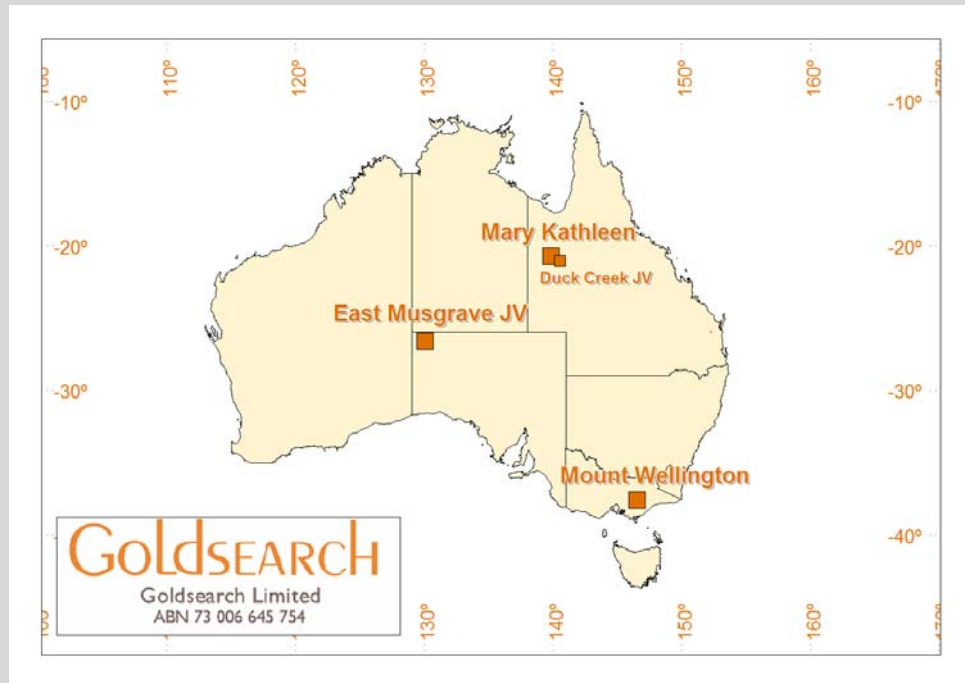
Goldsearch Limited
ABN 73 006 645 754

Level 4
20 Loftus Street
SYDNEY NSW 2000

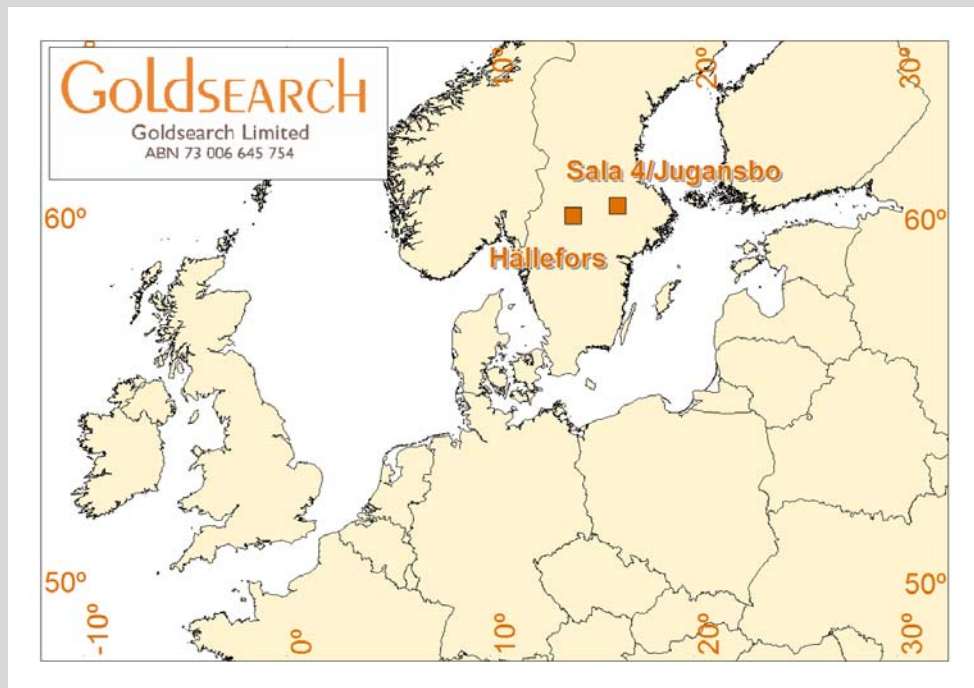
ASX: GSE



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 Morningstar Gold NL Woods Point 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 (See *Figure Two*). 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.

Work is suspended on this project due to constraints of the summer only field season.

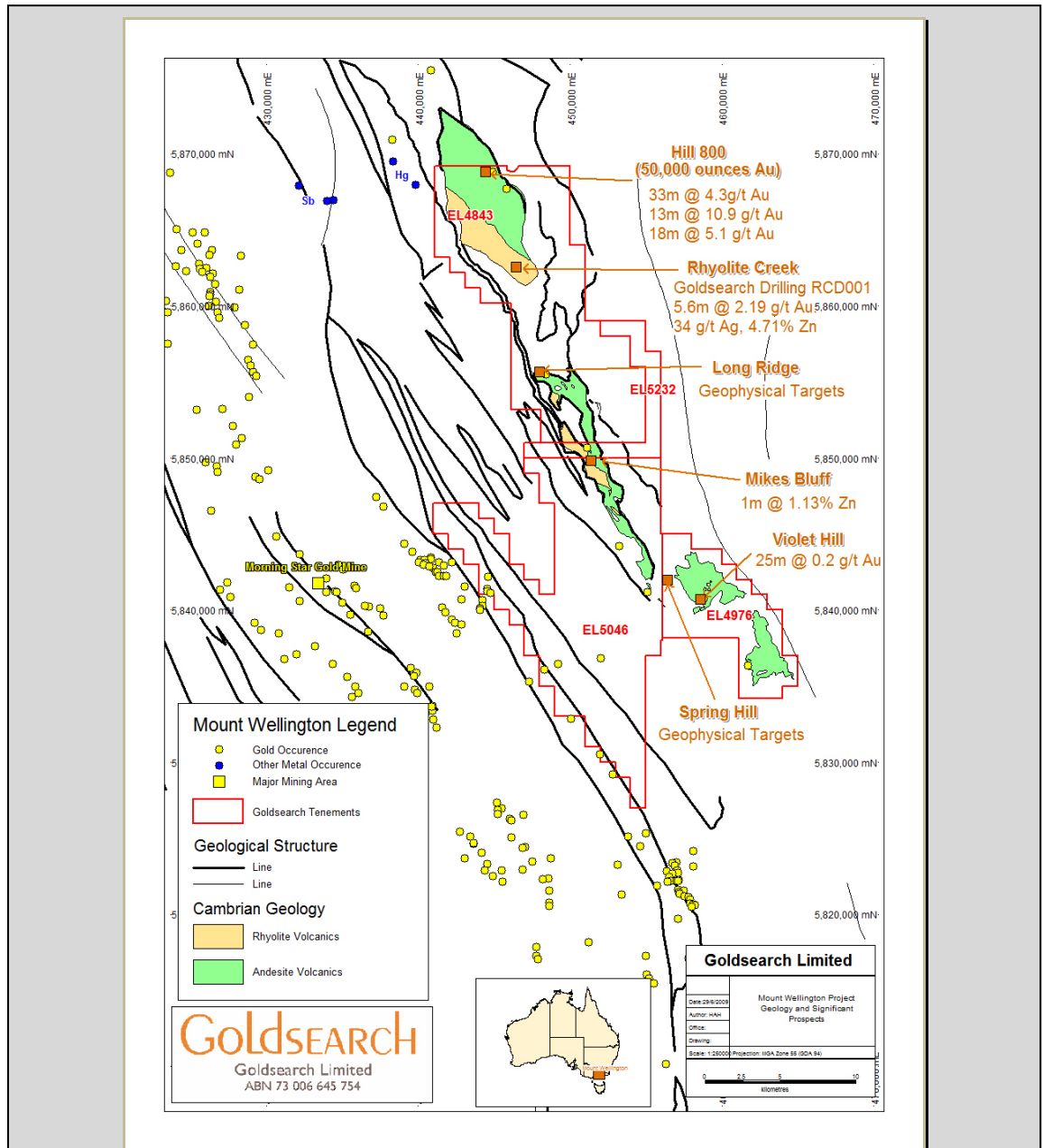


Figure Two

Mount Wellington - Project geology, target locations and previous drill results.

MARY KATHLEEN PROJECT (QUEENSLAND)

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

The Mary Kathleen project is a joint venture between Goldsearch and China Yunnan Copper Australia Limited (ASX: CYU). CYU is earning up to 70% in the project by funding up to \$1,500,000 in exploration expenditure prior to August 2012.

Elaine Dorothy

At Elaine Dorothy, previous exploration by Mary Kathleen Uranium (formerly operators of the Mary Kathleen Mine, located six kilometres to the north) and Goldsearch has highlighted significant Mary Kathleen-style uranium and REE mineralisation.

In late 2009 CYU completed drilling three HQ diamond holes totalling 344 metres at Elaine Dorothy. The holes were drilled to repeat and confirm historical drill holes drilled by Mary Kathleen Uranium between the 1950's to 1980's.

During the March quarter the joint venture completed a resource estimate for the Elaine Dorothy uranium/rare earth element prospect. The resource calculation was based on historic drilling by Mary Kathleen Uranium and Goldsearch along with the recently completed confirmation drilling by China Yunnan Copper Australia.

A JORC compliant inferred resource of 83,000 tonnes grading 283 ppm (parts per million) uranium oxide (U₃O₈) and 0.32% rare earth oxides (5,200 pounds contained uranium oxide) has been calculated based on a uranium cut-off grade of 200 ppm.

Mapping, surface scintillometer and Niton XRF sampling program for not only radioactive species but also a newly defined footwall copper mineralised zone has been completed including sampling at the historic Elaine Two and Elaine Three prospects.

Three dimensional modelling of the mineralisation defined to date in conjunction with surface geological mapping has significantly improved the understanding of the orientations and structural controls at Elaine Dorothy. Further drilling is currently proposed to target a potential down-plunge depth extension to the highest grade zones of mineralisation at Elaine Dorothy.



Mount Dorothy

Following completion of surface mapping during the June quarter as at the time of this report, RC drilling to test the Three Threes and Wee Wyeems targets at Mount Dorothy had commenced. The drilling is planned to test previous results of 110 metres grading 0.57% copper, intercepted in drilling by MIM in 1992. Results are expected prior to the end of August 2010.

EAST MUSGRAVE JOINT VENTURE (SOUTH AUSTRALIA)

Goldsearch 29.4% (non manager) - nickel, copper, platinum

Musgrave Minerals Limited has been incorporated and the first tranche of \$200,000 seed capital has been subscribed.

The East Musgrave joint venture (Musgrave Minerals Limited) now comprises tenements and applications covering approximately 50,000 square kilometres of the South Australian portion of the Musgrave Block. Most of the project area is held under Aboriginal freehold tenure and as a result has only been subject to cursory exploration in the past. The principal target is nickel-copper-platinum group elements mineralisation associated with the feeder conduits and dykes forming part of the extensive mafic-ultramafic Giles Complex. Further to the west, Giles Complex intrusives host BHP Billiton's Nebo and Babel nickel sulphide discoveries.

The initial interests will be Mithril Resources 40%, Independence Group 30.6% and Goldsearch 29.4%. Musgrave Minerals Limited proposes to undertake an initial public offering (IPO) of shares to raise \$10 million and to seek admission to the official list of the Australian Securities Exchange and quotation of its shares.

In late June, Musgrave Minerals geologist completed 2.5 weeks of geological mapping and sampling on three tenements held in joint venture with Barrick (EL3939, EL3941 and EL3942). The main objectives of this trip were to assess the outcropping Giles intrusions for mineral potential and to trial several regional geochemical sampling methods over known mineralisation/anomalies. Several outcrop areas identified on



air photo and satellite imagery that had not been visited by PIRSA or previous explorers were mapped and sampled. Over 500 rockchip and auger samples were taken over a number of targets, primarily for orientation purposes. Assay results are pending.

Highlights include the identification of “blebby” sulphides (pyrrhotite-chalcopyritepentlandite) within a ~20 metre wide olivine bearing gabbroic dyke on EL3942. The dyke has a 2-3 metre wide contaminated margin in places and is over 7 kilometres long. Significantly, these results provide further support that the Giles rocks in the area are contaminated and are fertile for the formation nickel sulphide deposits.

The next field campaign is scheduled to commence 26 July 2010 and will focus on infilling Rio Tinto stream sediment sampling on EL3940 (Barrick) and extend soil/lag sampling on EL3955 Echo Hill (GSE/IGO). A ground electro magnetic (EM) program to close off previous anomalies and to test airborne EM and geochemical anomalies is planned in September/October on ELs 3941, 3942 and 3955.

BERGSLAGEN JOINT VENTURE (SWEDEN)

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

Goldsearch is currently earning a 70% interest in three exploration licences which cover two separate target areas approximately 200 kilometres north-west of Stockholm. Under the terms of its joint venture with Tumi Resources, Goldsearch can earn 70% of the projects by spending up to €1million over three years.

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

A gradient array ground induced polarisation (IP) geophysical survey was completed at the Jugansbo target area during November 2009 and final processing of the data is complete. A number of chargeable IP targets for further evaluation during the coming northern hemisphere summer months have been identified.

Goldsearch equity investments

Morning Star Gold NL (ASX: MCO)

www.morningstargold.com.au

In 2009 Goldsearch acquired a strategic interest in Morning Star Gold NL (MCO), which is the 100% owner of the Morning Star gold mine located approximately 10 kilometres west of Goldsearch's Mount Wellington project.

During this last quarter MCO has been stockpiling ore while its 80,000 tonne per annum plant is being built by GEKKO in Ballarat.

Recently the company started excavations and concrete pads for the plant at site and is expecting to have the plant in production during September this current quarter.

At 30 June 2010 Goldsearch held 5,550,000 ordinary shares in MCO with a market value of \$2,264,500

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 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 AngloGold Ashanti Limited, IGO 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.

Recent exploration drilling at the Duketon Nickel Project (IGO earning 70%) has returned encouraging nickel results. Also step out drilling at Tropicana by AngloGold Ashanti continues to expand on the current gold resource.

At 30 June 2010 Goldsearch held 100,000 ordinary shares in IGO with a market value of \$472,000



China Yunnan Copper Australia Limited (ASX: CYU)

www.cycal.com.au

China Yunnan Copper (CYU) is currently exploring for copper and gold in the Cloncurry region in far north-west Queensland and Chile. CYU 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 holds 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 unquoted options.

Musgrave Minerals Limited

During the quarter Goldsearch was issued with a total of 3,675,000 shares and 1,837,500 options in Musgrave Minerals Limited. Goldsearch participated in the initial seed capital raising and contributed \$58,800 for 1,176,000 shares at 5 cents each. These shares are restricted securities under the ASX Listing Rules and accordingly will be subject to escrow following the proposed IPO.

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 17 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, 01/06/10.

Name of entity

Goldsearch Limited

ABN

73 006 645 754

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(364)	(1,108)
(b) development	-	-
(c) production	-	-
(d) administration	(140)	(644)
1.3 Dividends received	-	10
1.4 Interest and other items of a similar nature received	-	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	56
Net operating cash flows	(504)	(1,679)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(59)	(2,088)
(c) other fixed assets	-	(30)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	463	3,631
(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	404	1,513
1.13 Total operating and investing cash flows (carried forward)	(100)	(166)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(100)	(166)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	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)	-	-
	Net financing cash flows	-	1
	Net increase (decrease) in cash held	(100)	(165)
1.20	Cash at beginning of quarter/year to date	355	420
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	255 ⁽¹⁾	255 ⁽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 current quarter, the Company's investments in listed securities had a market value of \$2.636 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	83
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	78,019
- Directors' superannuation	5,671

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 at 30 June 2010 (see note to paragraph 1.22 above)	2,636	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	275
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	425

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	211	311
5.2 Deposits at call	44	44
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	255	355

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	EL 4843 Rhyolite Creek	During the quarter this tenement was reduced in area from 156 graticular sections to 131 graticular sections.	100%	100%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	N/A	N/A	N/A	N/A
(b) Decreases through returns of capital, buy-backs, redemptions	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)	Nil	N/A	N/A	N/A
(b) Decreases through returns of capital, buy-backs	Nil	N/A	N/A	N/A
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	Nil	N/A	N/A	N/A
Unlisted options	Nil	N/A	N/A	N/A
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	Nil	N/A	N/A	N/A
Unlisted options	Nil	N/A	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

+ See chapter 19 for defined terms.

- 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:  Date: 29 July 2010
Company secretary

Print name: Paul 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.
- 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.

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