

gsh/psh/gsh801

29 October 2010

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

Via ASX Online

Number of pages – 14

Dear Sir,

Quarterly activity report to 30 September 2010

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

- Encouraging copper and cobalt results have been returned by joint venture partner China Yunnan Copper Australia Limited at the Mount Dorothy prospect. Best results include 22 metres grading 2.03% copper, 591 parts per million (ppm) cobalt from 17 metres in hole MRD002. The high grade intersection in MDR002 forms part of a broad oxide-sulphide mineralised zone of 89 metres grading 0.74% copper, 190 ppm cobalt from 17 metres.

Musgrave Minerals Limited

- Musgrave Minerals plans to launch an initial public offer (IPO) to raise \$10 million and to list on the Australian Securities Exchange (ASX) in April 2011.

Equity investments

- The market value of the Company's equity investments at 30 September 2010 was \$2,545,250.

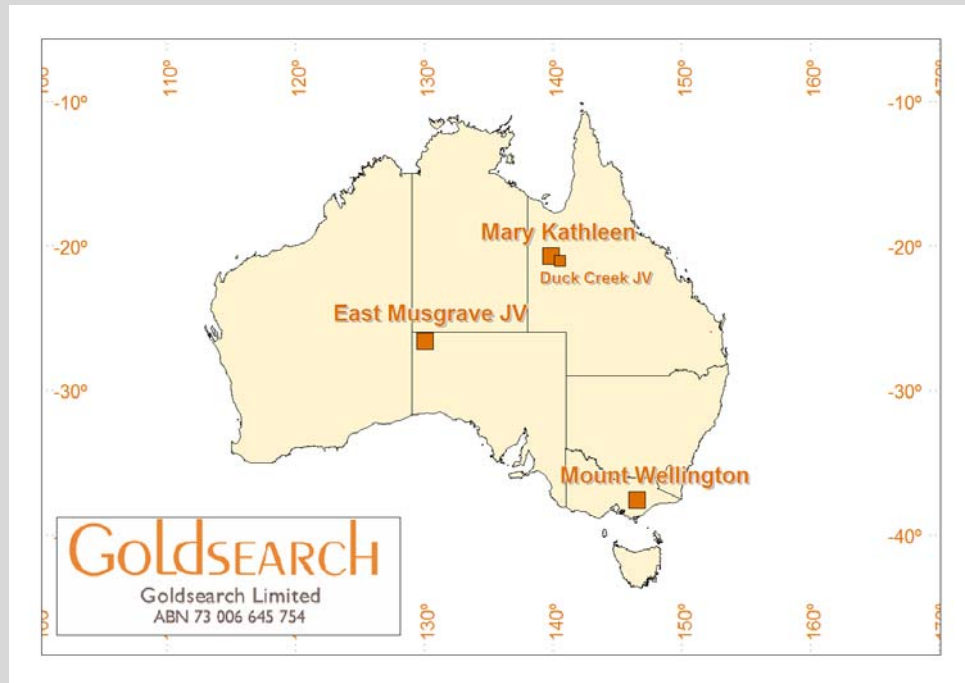
Goldsearch Limited
ABN 73 006 645 754

Level 4
20 Loftus Street
SYDNEY NSW 2000

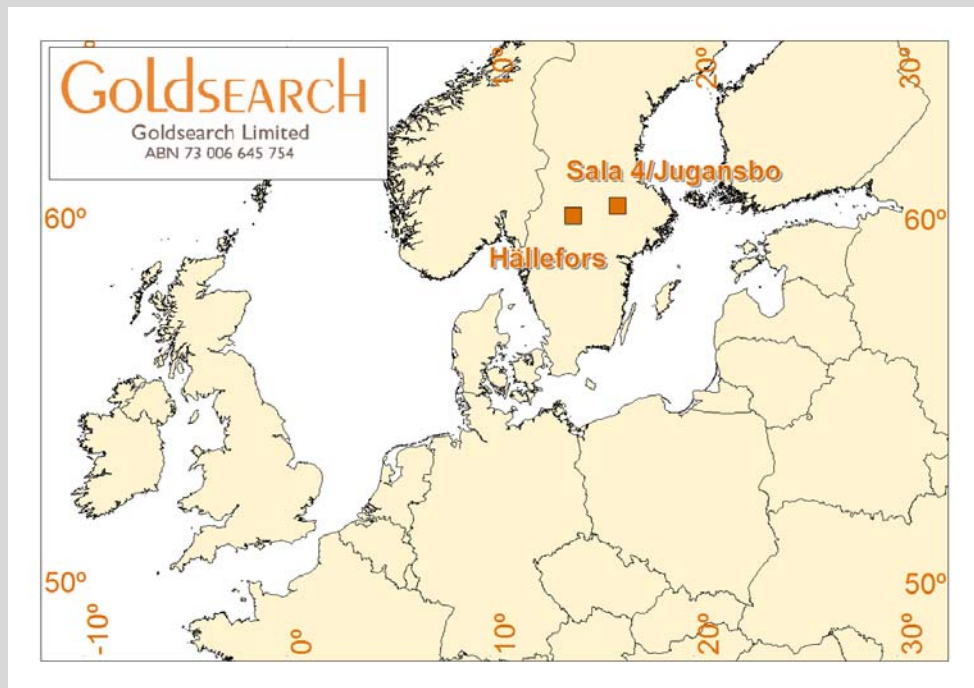
ASX: GSE



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. Drilling at the Long Ridge target is scheduled to resume during the December 2010 quarter.

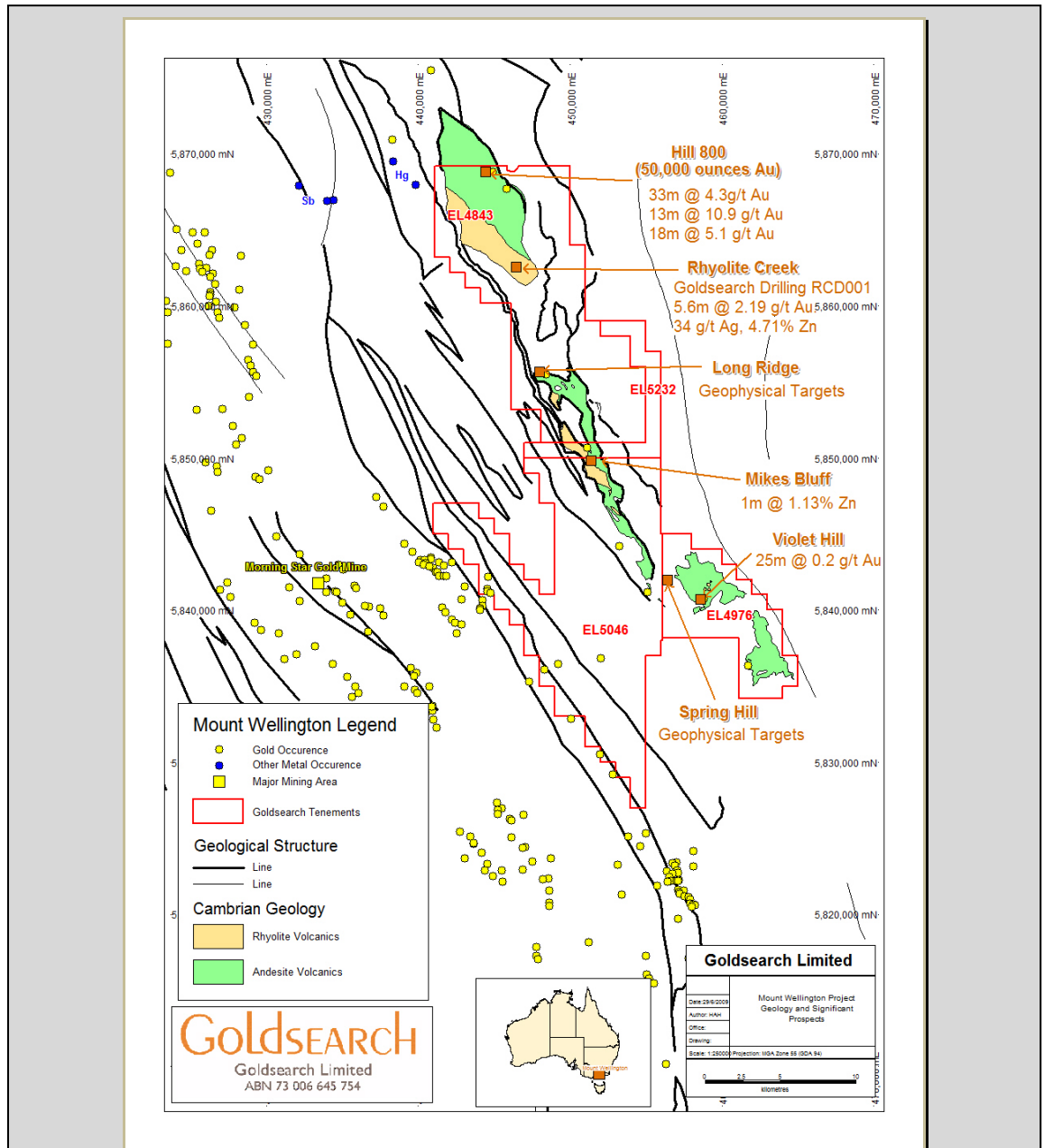


Figure Two

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

During the quarter CYU completed a program of soil sampling at the Elaine Dorothy target, this work has identified a north-east trending zone of anomalous copper in soil samples. Evaluation of this target is ongoing. Drilling is also scheduled during the December 2010 quarter at Elaine Dorothy to test copper sulphide mineralisation intercepted in previous drilling by CRA in 1979 and not assayed for copper.

Mount Dorothy

As reported to the ASX on 19 August 2010, CYU intercepted encouraging copper and cobalt results in first pass reverse circulation (RC) drilling at the Mount Dorothy prospect. Best results include 22 metres grading 2.03% copper, 591 ppm cobalt from 17 metres in hole MRD002. The high grade intersection in MDR002 forms part of a broad oxide-sulphide mineralised zone of 89 metres grading 0.74% copper, 190 ppm cobalt from 17 metres.

A follow up drilling program consisting of approximately 1,000 metres of diamond core drilling is scheduled to commence in November 2010.



MUSGRAVE MINERALS LIMITED (SOUTH AUSTRALIA)

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

An initiative by Goldsearch Limited, Independence Group NL and Mithril Resources Limited

The above companies have agreed to join forces to accelerate exploration in the highly prospective Musgrave region of South Australia by forming Musgrave Minerals Limited.

Musgrave Minerals Limited will be a dedicated mineral explorer in the Musgrave region of South Australia with exploration interests covering more than 50,000 square kilometres in this under-explored terrain.

Musgrave Minerals Limited is preparing for an initial public offering (IPO) of shares in or about April 2011 and will seek admission to the official list of the ASX and quotation of its shares.

Barrick (PD) Australia Limited ("Barrick") has also agreed to vend its Musgrave interests to Musgrave Minerals Limited and will be a cornerstone investor.

Musgrave Minerals Limited is highly levered to discovery in unexplored terrain and is well funded to pursue a pipeline of quality targets which have drill ready targets, untested mineral occurrences and strong conceptual models/targets in place

Musgrave Minerals Limited has a leading tenement position with 7 granted tenements, 4 exploration deeds in place, clearance granted to 3,210 square kilometres and 5 additional tenements ready for grant. Another strength is an experienced exploration and management team with strong Musgrave experience and ongoing management and technical support from Mithril, Independence and Goldsearch.

Musgrave Minerals Limited has a robust capital structure with vendor companies participating in seed capital. It will also have a high quality and tight shareholder base.

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.



Initial field assessment of first pass ground induced polarisation (IP) geophysical anomalies has highlighted a number of targets where further geophysical evaluation is planned. A round of detailed IP geophysics is scheduled for the coming winter months, with the aim of defining targets for drill evaluation.

Goldsearch equity investments

Morning Star Gold NL (ASX: MCO)

morningstargold.com.au

Last year 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.

MCO is scheduled to commence production from its 80,000 tonne per annum gravity recovery gold plant during the December 2010 quarter.

At 30 September 2010 Goldsearch held 5,550,000 ordinary shares in MCO with a market value of \$2,247,750

Independence Group NL (ASX: IGO)

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. Results of the feasibility study are expected to be released by the end of October 2010 whilst step out drilling at Tropicana by AngloGold Ashanti continues to expand on the current gold resource.



Recent exploration drilling at the Duketon Nickel Project (IGO earning 70%) has returned encouraging nickel results and further drilling is currently underway.

At 30 September 2010 Goldsearch held 50,000 ordinary shares in IGO with a market value of \$297,500

China Yunnan Copper Australia Limited (ASX: CYU)

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 all 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 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(151)	(151)
(b) development	-	-
(c) production	-	-
(d) administration	(144)	(144)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(295)	(295)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(5)	(5)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	245	245
(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	240	240
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.	-	-
1.15	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	-	-
	Net increase (decrease) in cash held	(55)	(55)
1.20	Cash at beginning of quarter/year to date	255	255
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter (see note 1)	200	200

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 investments in listed securities had a market value of \$2.545 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	125
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	111,884
	- Directors' superannuation	8,450
	- Legal fees paid to Landerer & Company (J Landerer)	4,581

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 at 30 September 2010 (see note to paragraph 1.22 above)	2,545	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	409
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	559

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	155	211
5.2 Deposits at call	45	44
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	200	255

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	N/A	N/A	N/A
6.2	Interests in mining tenements acquired or increased	EPMs 14019 and 14022 Mary Kathleen	Nil	100%

+ 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		

+ See chapter 19 for defined terms.

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 2010

Print name: Paul 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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+ See chapter 19 for defined terms.