

gsh/psh/gsh796

29 April 2010

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

Via ASX Online

Number of pages – 16

Dear Sir,

Quarterly activity report to 31 March 2010

Enclosed for release to the market is the Company's activity report for the quarter ended 31 March 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

Mount Wellington project

- Hole RC004 intercepted 4.2 metres grading 0.55 grams per tonne (g/t) gold, 0.1% copper and 2.15% zinc from 233.6 metres and 6 metres grading 1.31% zinc from 260.7 metres.

Mary Kathleen project

- A JORC compliant inferred resource of 83,000 tonnes grading 283 parts per million (ppm) 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.

East Musgrave joint venture

- Goldsearch and Independence Group have agreed to combine their Musgrave interests with Mithril Resources to form Musgrave Minerals Limited which proposes to launch an initial public offer (IPO) to raise \$10 million and to list on the Australian Securities Exchange (ASX).

Bergslagen joint venture, Sweden

- Ground induced polarisation (IP) geophysical surveys at the Jugansbo target highlight a number of targets for further evaluation.

Equity investments

- The market value of the Company's equity investments at 31 March 2010 was \$2,799,000.

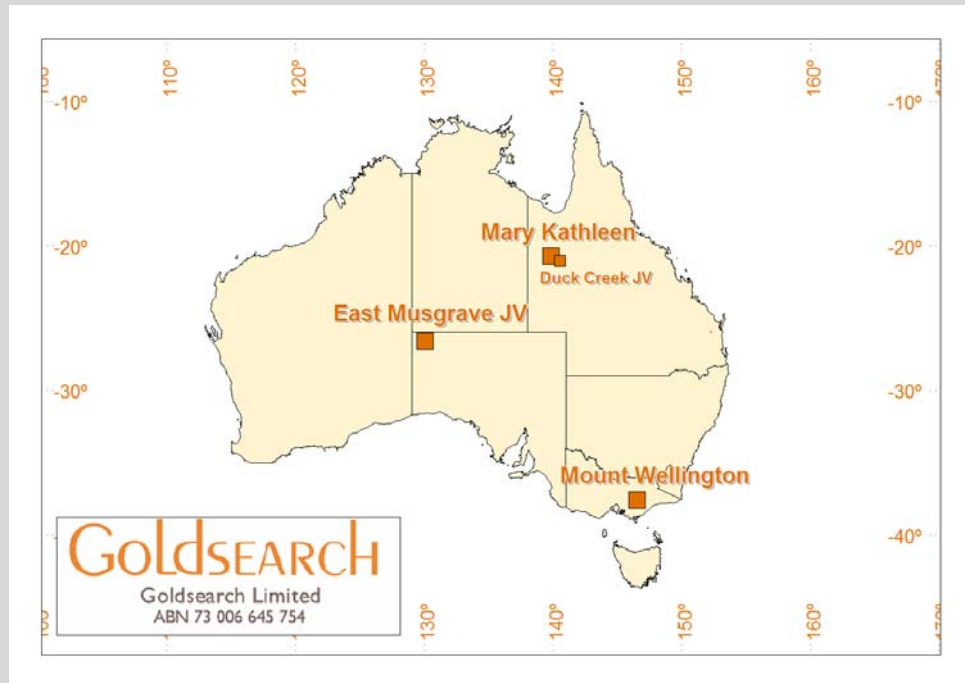
Goldsearch Limited
ABN 73 006 645 754

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20 Loftus Street
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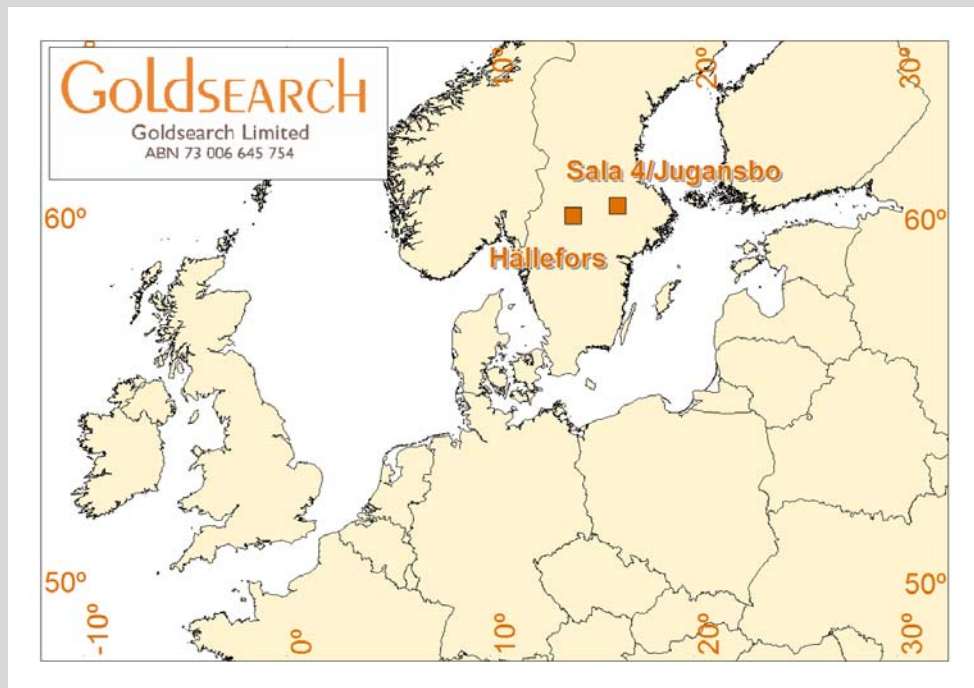
ASX: GSE



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.

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.

During the March quarter Goldsearch completed a follow-up diamond drilling program at the Rhyolite Creek prospect and commenced drilling at the Long Ridge target.

At Rhyolite Creek, drilling was undertaken to follow up encouraging results returned from previous programs including 5.6 metres grading 2.19 g/t gold, 34 g/t silver, 4.71% zinc from 220 metres down-hole in hole RCD001.

At Long Ridge, Goldsearch commenced a program of deep diamond drilling to test high priority aeromagnetic and electrical geophysical targets. Goldsearch recently received a grant approval for funding of up to \$80,000 to complete the drilling at Long Ridge from the Victorian State Government under round three of the Rediscover Victoria initiative.



Figure One. : Mount Wellington project - RCD004 drill site.

Rhyolite Creek target

Two diamond drill holes for a total depth drilled of approximately 646 metres were completed at the Rhyolite Creek Target. Hole RCD004 confirmed the presence of the structurally and lithologically controlled gold/zinc mineralisation intercepted in previously completed holes, whilst hole RCD005 intercepted an unexpected sequence of intermediate volcanic rocks, which appear to be less favourable for the development of the mineralisation.

Hole ID	E (GDA 94)	N (GDA94)	Azimuth	Dip	Depth (m)
RCD004	446807	5862762	150	-60	422.80
RCD005	446846	5863093	95	-60	223.10
				total	645.90

Table One: Rhyolite Creek - drill hole locations

Hole RCD004 intercepted a broad zone of elevated zinc mineralisation with a 70 metre zone of elevated zinc mineralisation averaging 0.37% zinc from 233.6 metres. Significant intercepts are summarised in Table Two and include 4.2 metres grading 0.55 g/t gold, 0.1% copper and 2.15% zinc from 233.6 metres and 6 metres grading 1.31% zinc from 260.7 metres.

Hole ID	From (m)	To (m)	Width (m)	Gold (g/t)	Copper (ppm)	Zinc (%)
RCD004	233.6	234.6	1.0	0.26	1230	2.2%
RCD004	234.6	235.7	1.1	0.49	659	1.4%
RCD004	235.7	236.8	1.1	0.57	848	1.4%
RCD004	236.8	237.8	1.0	0.88	1660	3.7%
RCD004	260.7	261.7	1.0	0.03	1120	1.2%
RCD004	261.7	262.7	1.0	0.03	1160	1.3%
RCD004	262.7	263.7	1.0	0.03	701	1.6%
RCD004	264.7	265.7	1.0	0.03	1280	2.1%
RCD004	265.7	266.7	1.0	0.02	950	1.3%
RCD005	206.1	207.2	1.1	1.49		
RCD005	210.4	211.5	1.1	3.09		

Table Two: Rhyolite Creek - Significant assay results.

RC005 intercepted minor zones of elevated gold mineralisation associated with quartz/carbonate veins within the intermediate volcanic sequence.

Drilling to date at the Rhyolite Creek prospect has defined a large zone of structurally and lithologically controlled zinc (with gold, silver, copper) mineralisation. This mineralisation remains open in most directions. Whilst the widths and grades of mineralisation intercepted to date are likely to be sub-economic at current metal prices, further strategic review of the prospect to determine if structural or further geophysical targeting could be used to identify high grade positions is warranted.

Long Ridge target

At Long Ridge diamond drilling commenced to test a large blind geophysical target. The target consists of a coincident magnetic and electrical geophysical anomaly. Drill hole LRD001 was collared in an over-thrust sequence of Silurian-aged sediments, with the target anomaly located beneath these sediments in basement Cambrian-aged volcanic rocks.

The hole encountered numerous heavily fractured zones associated with thrust faults within the sediments. Drilling through these fracture zones proved difficult, with significant volumes of water lost into formation. This high water loss meant that the pump configuration supplying water to the drill rig could not keep up supplies to the rig, which led to significant down time and high drilling cost. Attempts to grout the hole to prevent water loss failed and the hole, which is currently at a depth of 197 metres was reamed and cased to 174 metres. Goldsearch decided to abandon the hole at this depth, the casing has been left in the hole and the plan is to re-enter the hole after winter to complete it to target depth. This will enable a more efficient water supply to be established for the drilling to compensate for the high water loss as drilling proceeds.

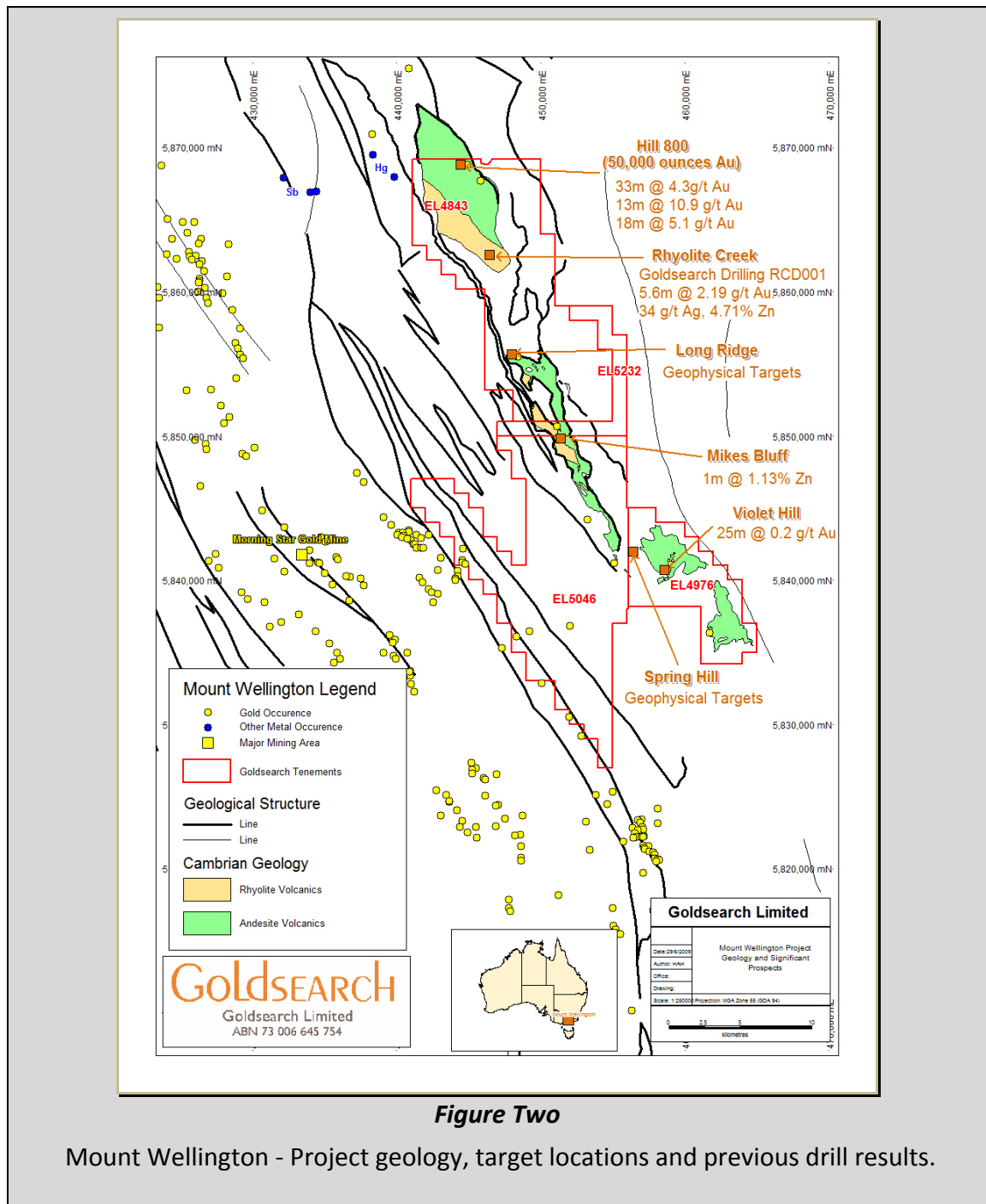


Figure Two

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.

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 totaling 344 metres at Elaine Dorothy. The holes were drilled to “twin” or 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.

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 during 2010 to target a potential down-plunge depth extension to the highest grade zones of mineralisation at Elaine Dorothy.

Ongoing evaluation of a number of copper prospects at Mary Kathleen continues. The joint venture also currently proposes to drill test a number of targets in the Mount Dorothy area, where previous explorer Mount Isa Mines intercepted copper mineralisation in drilling including results up to 26 metres grading 0.86% copper from 106 metres.

EAST MUSGRAVE JOINT VENTURE (SOUTH AUSTRALIA)

Goldsearch 49% (non manager) - nickel, copper, platinum

The East Musgrave joint venture comprises tenements and applications covering approximately 18,000 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. Independence Group NL holds a 51% interest in the project and is the manager.

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.

Two tenements (from a total of 13 applications) have been granted to date.

The joint venture partners continue to liaise with the traditional owners and Primary Industry and Resources South Australia (PIRSA) regarding the grant of the next tranche of tenements.

Subsequent to the end of the March quarter the joint venture parties signed a heads of agreement with Mithril Resources Limited, whereby the three companies will combine their respective Musgrave interests into a new company, Musgrave Minerals Limited. 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.

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 the 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.

GOLDSEARCH

At Jugansbo a previously completed airborne electro magnetic (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 the September 2009 quarter 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. After several years of planning by MCO, ore is now being hoisted to the surface and stockpiled. In late 2009 MCO announced the purchase of an 80,000 tonne per annum mill, which is expected to be operational by June 2010.

During the March 2010 quarter MCO successfully raised \$12.3 million through exercise of its quoted options (MCOOB).

At 31 March 2010 Goldsearch held 5,550,000 ordinary shares in MCO with a market value of \$1,887,000.

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.

GOLDSEARCH

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 31 March 2010 Goldsearch held 200,000 ordinary shares in IGO with a market value of \$912,000.

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. 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.

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

Name of entity

Goldsearch Limited

ABN

73 006 645 754

Quarter ended ("current quarter")

31 March 2010

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 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	(472)	(744)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(165)	(504)
1.3	Dividends received	4	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 Income	-	56
Net operating cash flows		(633)	(1,175)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(281)	(2,029)
	(c) other fixed assets	(30)	(30)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	1,079	3,168
	(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		768	1,109
1.13	Total operating and investing cash flows (carried forward)	135	(66)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	135	(66)
	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) – issue costs	-	-
	Net financing cash flows	-	1
	Net increase (decrease) in cash held	135	(65)
1.20	Cash at beginning of quarter/year to date	220	420
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	355 ⁽¹⁾	355 ⁽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 investments in listed securities had a market value of \$2.799 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	87
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	81,266
	- Directors' superannuation	5,875

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 31 March 2010 (see note to paragraph 1.22 above)	2,799	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	311	186
5.2 Deposits at call	44	34
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (see note to items 1.22 and 3.2)	355	220

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	Nil	N/A	N/A	N/A
6.2 Interests in mining tenements acquired or increased	EPM15257 South Mary Kathleen 2	tenement assigned from Central West Gold on 3 February 2010	0%	100%

+ See chapter 19 for defined terms.

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 (description)	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 (description)	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	8,000,000	-	5.0 cents	31 January 2010
	8,000,000	-	7.5 cents	31 January 2010
7.11 Debentures (totals only)	Nil	N/A		
7.12 Unsecured notes (totals only)	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 April 2010

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.
- 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.