

gsh/psh/gsh871

30 April 2013

The Manager - ASX Market Announcements
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

Via ASX Online

Number of pages – 15

Dear Sir,

Quarterly activity report to 31 March 2013

Enclosed for release to the market is the Company's activity report for the quarter ended 31 March 2013 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

Quarterly Activity Report
For the quarter ended 31 March 2013

Highlights

Mary Kathleen Joint Venture

(Goldsearch Limited 30%, Chinalco Yunnan Copper Resources Limited 70%)

Mount Frosty Prospect

- Drill targets at Blue Caesar identified
- Drilling commenced early April 2013

Musgrave Minerals Limited (MGV)

(Goldsearch Limited 7.17% shareholding in MGV)

- Zinc, silver and gold mineralisation discovered at Menninnie Dam Project's Tank Hill target
- Vacuum drilling confirms nickel-copper and PGE targets at Deering Hills Project
- Follow-up drilling program of ~150 holes for 2,600m over five targets commenced



Level 4, 20 Loftus St, Sydney NSW 2000

P: +61 2 9241 5999 F: +61 2 9241 5599

gold@goldsearch.com.au

MARY KATHLEEN JOINT VENTURE

(GSE 30% CYU 70%)

Goldsearch Limited (GSE) and Chinalco Yunnan Copper Resources Limited (CYU) continue to advance exploration in north-west Queensland, focussing on defining and developing a commercial copper and gold project within the Mary Kathleen Joint Venture (MKJV) leases and the Xstrata Copper Mount Frosty Joint Venture area **(Figure 1)**.

During the quarter, CYU announced the completion of a Project Review of its existing projects and activities. Recommendations arising from the review included continued focus and expenditure on the Mary Kathleen Shear Zone, specifically on the Elaine and Blue Caesar areas.

Elaine Prospect

As part of the resource upgrade and diamond core drilling program in the quarter ended December 2012 at the 27.7 million tonnes copper-gold discovery at Elaine, CYU carried out metallurgical scoping study testwork on diamond core selected from the main ore zone of the resource. Testwork is being undertaken at ALS Metallurgy Laboratory (Adelaide) with final reportable results expected in April 2013. The scoping testwork is primarily looking at the standard grind size and recovery studies for the copper and gold products.

MOUNT FROSTY JOINT VENTURE

(MKJV PARTNERS EARNING IN 75%, XSTRATA COPPER 100%)

CYU signed a binding agreement in 2012 with Xstrata Mount Isa Mines Limited ("Xstrata Copper") to commence exploration activities on the Mount Frosty project (EPM 14467) covering the Mary Kathleen Shear Zone. GSE has the opportunity to continue its joint venture obligations to earn 30% of the 75% being earned in the Mount Frosty joint venture.

Blue Caesar prospect

During the quarter, CYU carried out prospect scale geological mapping, prospect geophysics and surface geochemistry centred on the Blue Caesar prospect. Blue Caesar is situated approximately 400 metres north-west of the Elaine project, along strike of the Mary Kathleen Shear Zone. Previous exploration programs identified strong copper in soil anomalies and adjacent prominent magnetic high anomalies that characterise Blue Caesar prospect **(Figure 2)**.

Strong coincident geochemical and geophysical anomalies overlying a similar geological setting to Elaine have already been defined. Utilising the exploration model and techniques developed for Elaine, CYU has identified a number of drillhole targets with drilling commenced early April 2013.

Blue Caesar will be the second prospect along the Mary Kathleen Shear Zone to be explored as part of a series of potential “trap” sites that CYU is targeting in its efforts to define a resource base of 1.0 million tonnes of contained copper.

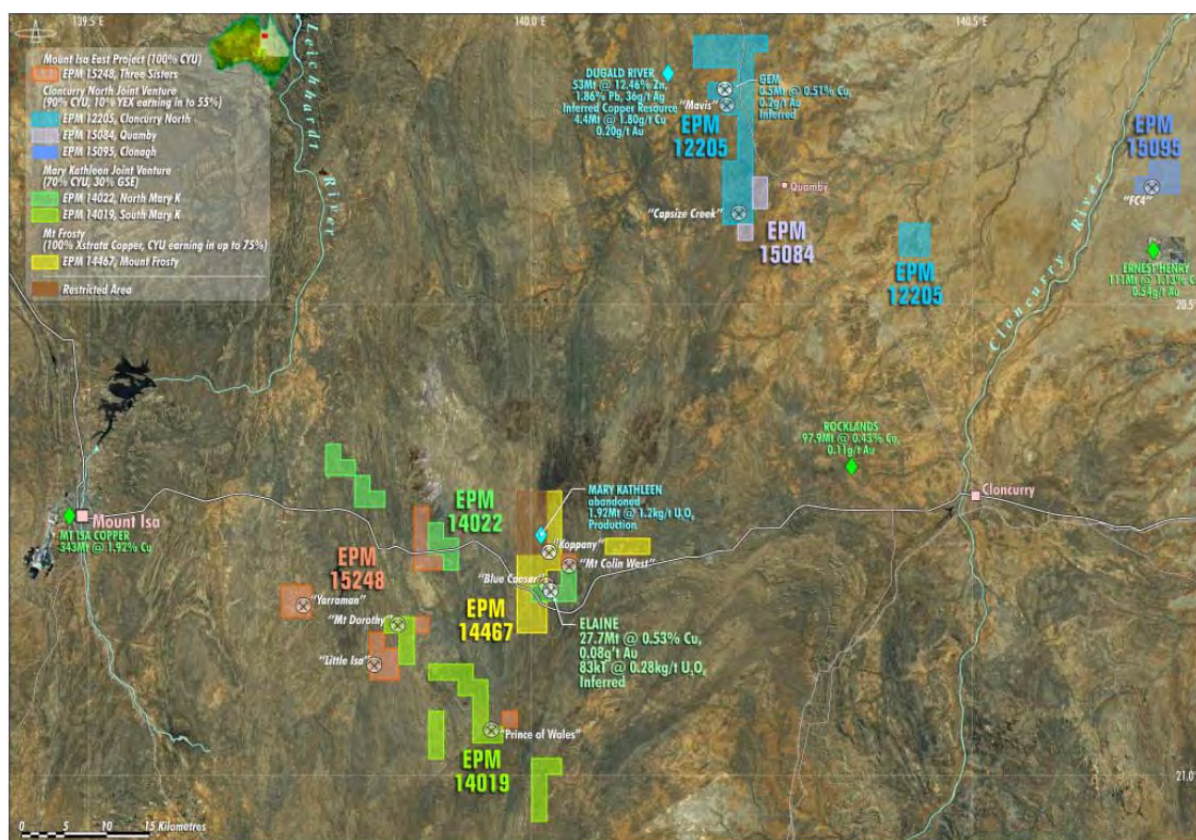


Figure 1: MKJV and Mount Frosty joint venture tenement holdings

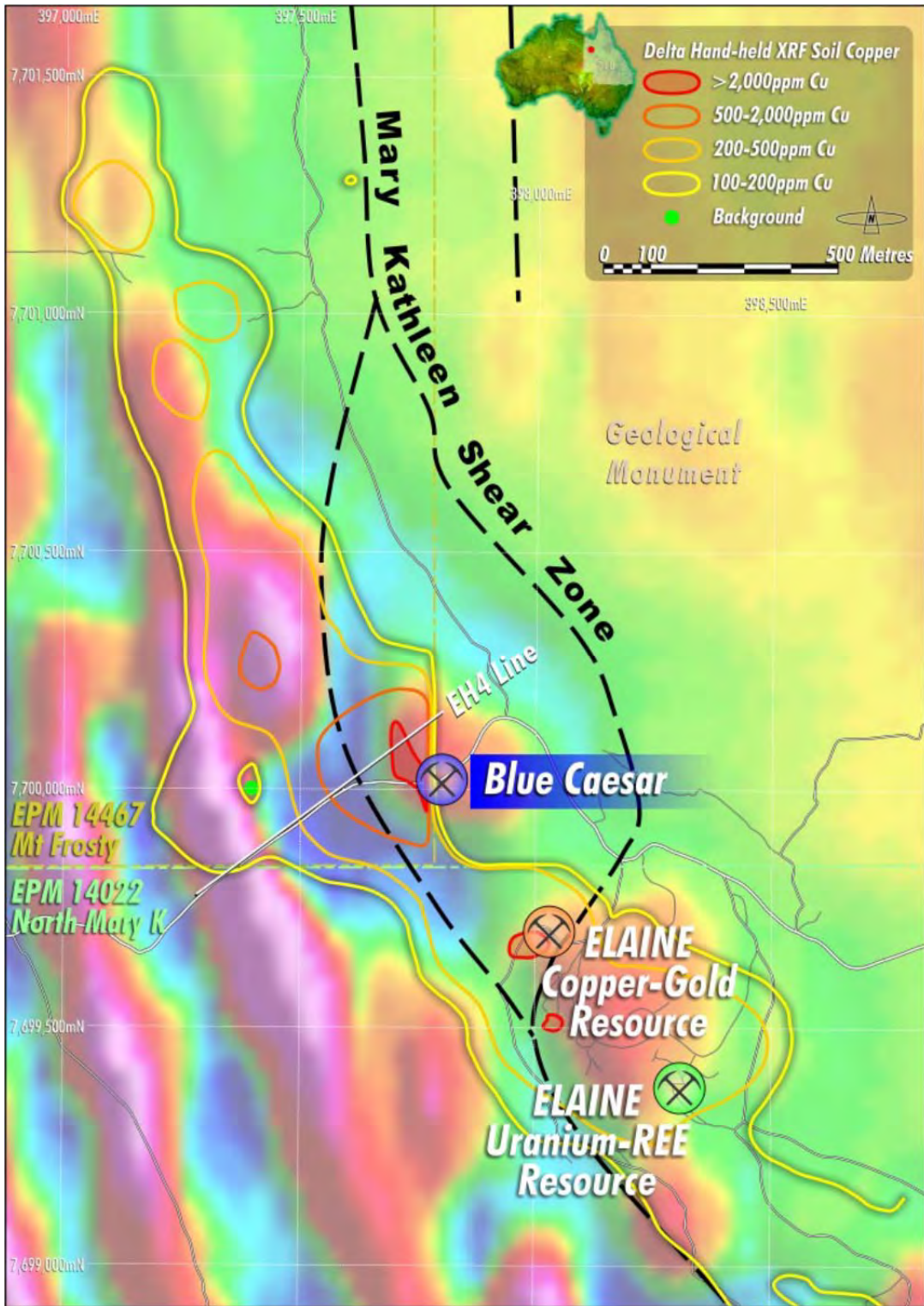


Figure 2: Blue Caesar prospect. Strong copper in soil anomalies (contours) and lying on the margin of prominent magnetic high anomalies (red background)

MUSGRAVE MINERALS LIMITED (ASX:MGV)

(GSE 7.17% shareholding in MGV)

Goldsearch Limited holds a significant shareholding in Musgrave Minerals Limited (MGV).

During the quarter, MGV continued to make advances in its base metal, gold and silver focussed exploration projects in the Musgrave Geological Province and Gawler Craton regions of South Australia.

Highlights for the quarter include:

Menninnie Dam

- Zinc, silver and gold mineralisation discovered at Tank Hill target:
 - **6 metres grading 4.9% zinc, 62 grams per tonne (g/t) silver, 1.2g/t gold** from 133 metres within a broad zone of:
30 metres grading 1.9% zinc, 21g/t silver, 0.27g/t gold from 132 metres
 - Mineralisation open in all directions
- Silver, zinc and graphite intersected at Mannequin prospect
- Silver mineralisation intersected at Viper
- Two reverse circulation (RC) drilling programs completed
- Regional surface low level silver geochemical survey completed – targets identified

Musgrave Region

- Vacuum drilling confirms nickel-copper and platinum group elements (PGE) targets at Deering Hills
- Follow-up drilling program of ~150 holes for >2,600 metres over five targets commenced in March – results awaited

Planned Activity

- Follow-up drilling on Tank Hill target to commence in May
- Airborne VTEM survey at Menninnie Dam to commence in May
- Analysis and interpretation of results from Tank Hill and Deering Hills drilling programs
- Ground electromagnetic (EM) follow-up of Deering Hills vacuum drilling anomalies

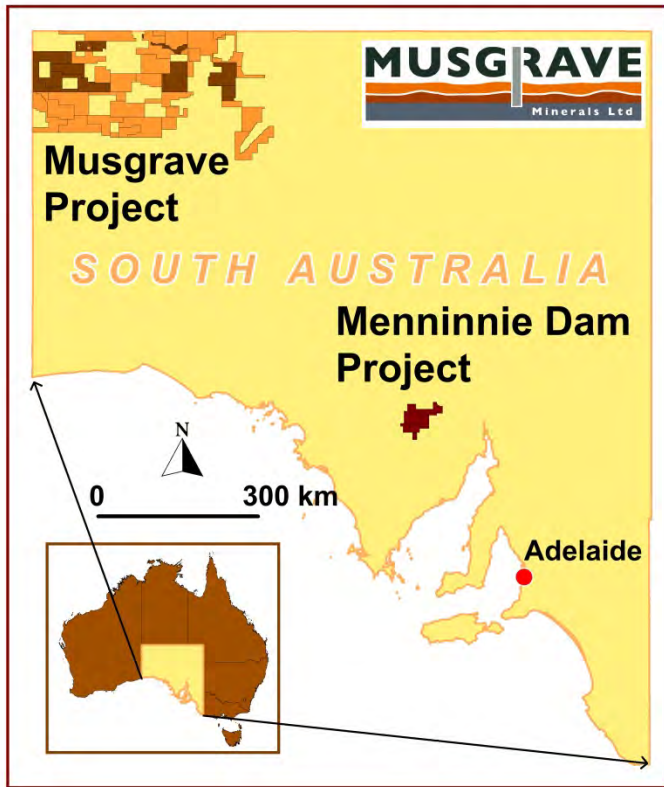


Figure 3: Musgrave Minerals' Project Location Map

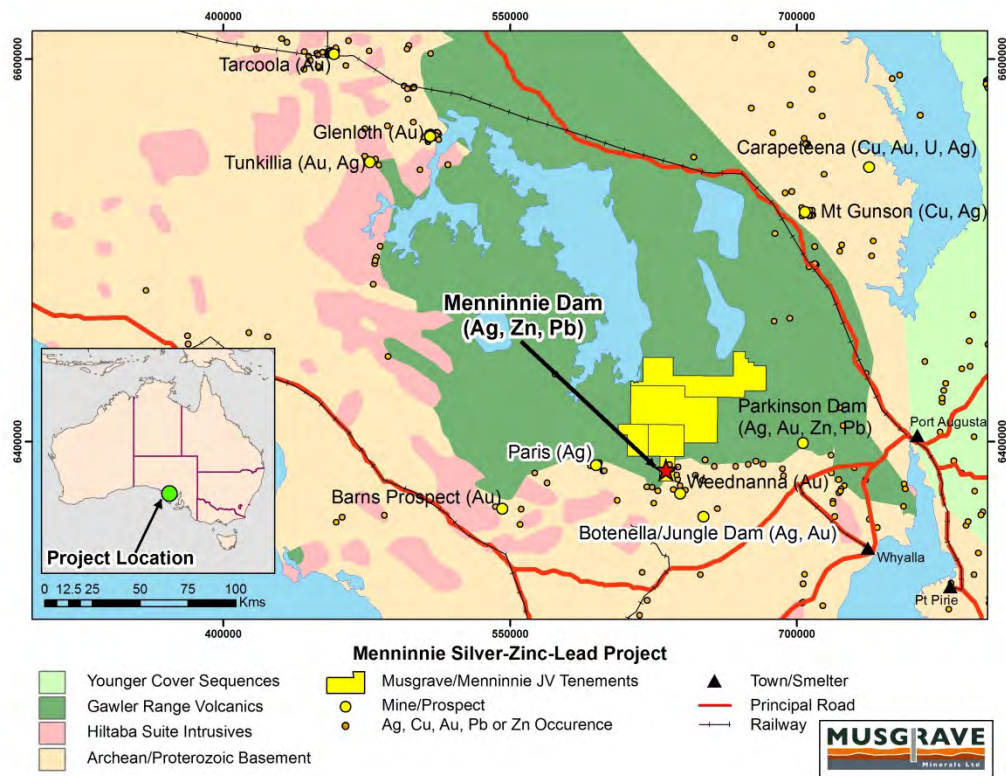


Figure 4: Location of the Menninnie Dam Project, South Australia

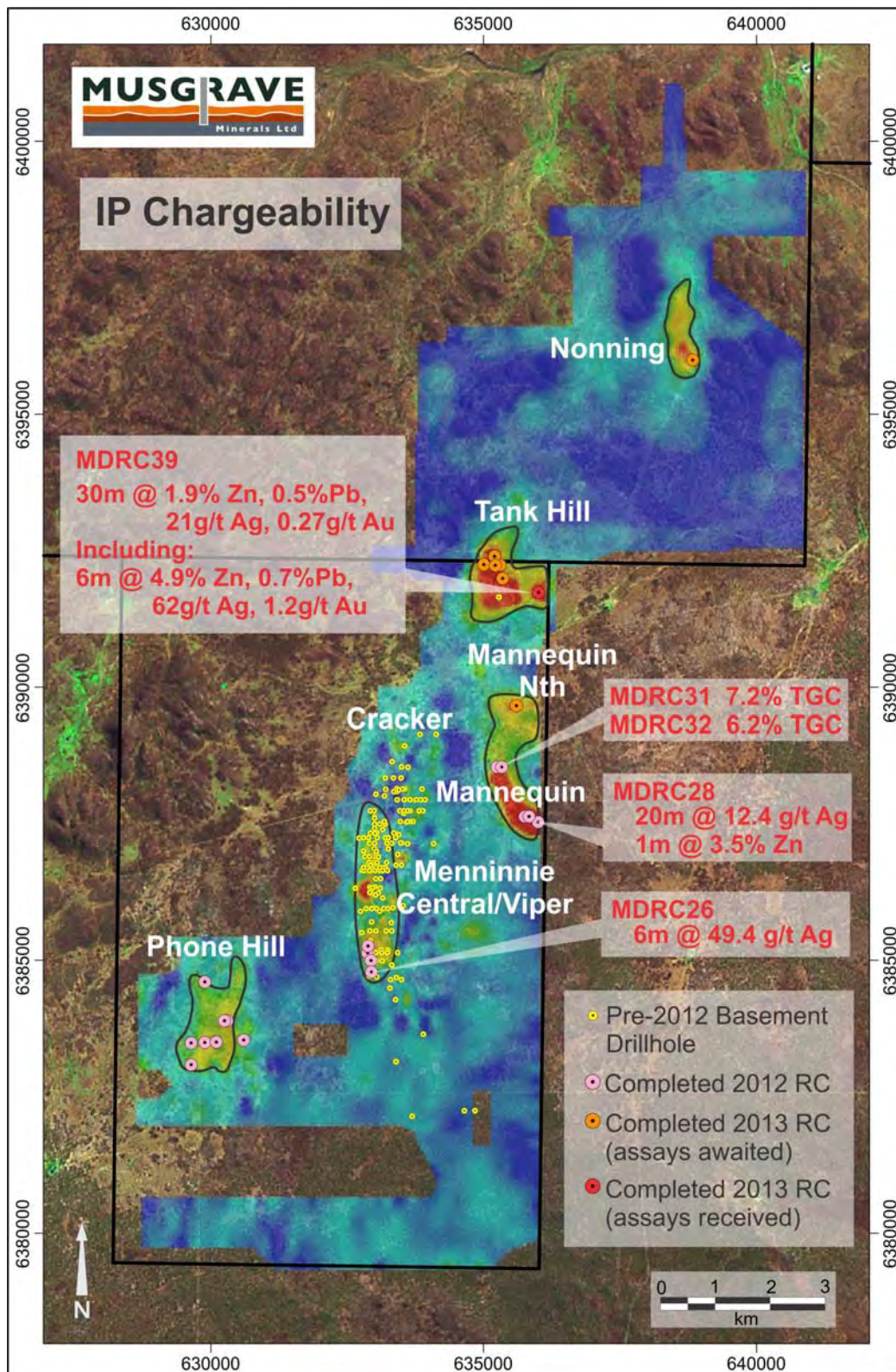


Figure 5: Menninnie Dam drillhole locations on IP Chargeability image and Landsat background

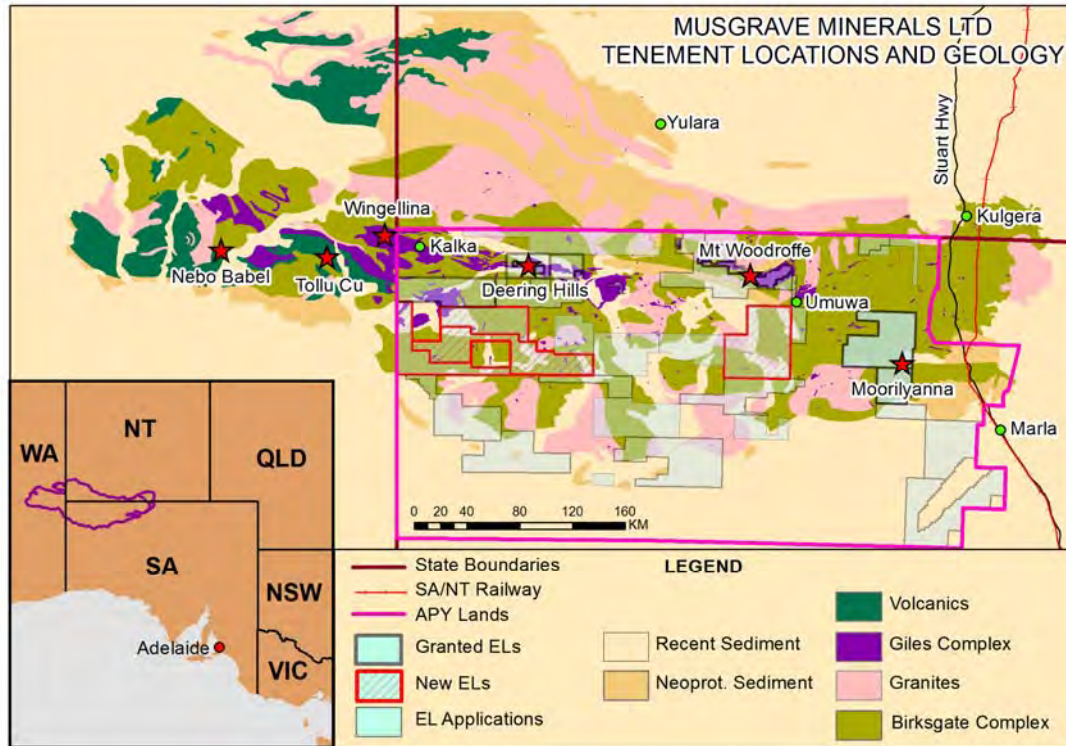


Figure 6: Location of the Deering Hills Project, South Australia. The Deering Hills Project is in the centre of the Musgrave geological province; about 200 kilometres west of the Stuart Highway and Adelaide to Darwin rail line. During the quarter, new exploration licences were granted for a period of two years replacing the existing tenure.

* JORC (2004)-compliant inferred resource for the Menninnie Central and Viper deposits was reported by Terramin Australia Limited (ASX: TZN) on 1 March 2011

Zone	Tonnes x10³	Zn (%)	Pb (%)	Ag (g/t)	Pb+Zn (%)
Total Menninnie Central	5,240	3.5	2.7	28	6.1
Total Viper	2,460	2.3	2.4	24	4.8
Total Menninnie Central and Viper	7,700	3.1	2.6	27	5.7

Inferred Resource (at 2.5% lead+zinc cut-off) as at 15 February 2011

Zn – zinc Pb – lead Ag – silver

MOUNT WELLINGTON

(GSE 100%)

The Mount Wellington project is centred 20 kilometres south-east of Jamieson and 10 kilometres east of the Woods Point gold mining centre in eastern Victoria. The project now consists of two granted ELs and one ELA. Goldsearch is continuing looking to farm-out the project to other parties.

COMPETENT PERSONS STATEMENT

Aspects of this report that relate to Mineralisation, Mineral Resources or Ore Reserves of Goldsearch Limited, both directly and through its joint ventures and investments, are based on information compiled by persons who are Fellows or Members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, and have sufficient relevant experience of the activity undertaken and of the mineralisation style and type of deposit described. They qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code of Reporting of Identified Mineral Resources and Ore Reserves" (JORC Code). The above statements fairly reflect the reports prepared by these Competent Persons and has been overviewed by Mr T V Willsted, BE (Min) Hons, BA, FAusIMM as a Competent Person for Goldsearch Limited. Mr Willsted consents to the inclusion in this report of these matters based on their information 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")

31 March 2013

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 & evaluation	(417)	(919)
(b) development	-	-
(c) production	-	-
(d) administration	(247)	(439)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net operating cash flows	(664)	(1,353)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(4)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(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	-	(4)
1.13 Total operating and investing cash flows (carried forward)	(664)	(1,357)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(664)	(1,357)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,494	2,254
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 – share issue cost	(136)	(151)
	Net financing cash flows	1,358	2,103
	Net increase (decrease) in cash held	694	746
1.20	Cash at beginning of quarter/year to date	287	235
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter (see Note 1 below)	981	981

Note 1: In addition to the cash on hand the Company has access to further working capital through realisation of its investments in listed unrestricted securities. At the end of the current quarter, the Company's investments in listed securities had a market value of \$146,412 and the Company has a further \$573,447 of listed securities restricted until 29 April 2013.

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	204
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	138,910
- Directors' superannuation	9,745
- Legal fees paid to Landerer & Company (J Landerer)	55,271

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 unrestricted securities as at 31 March 2013, the Company has a further \$573,447 of listed securities restricted until 29 April 2013 (see note to paragraph 1.22 above),	146	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	286
4.2 Development	-
4.3 Production	-
4.4 Administration	175
Total	461

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	953	258
5.2 Deposits at call	28	28
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (see note to item 1.22)	981	286

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	N/A
6.2 Interests in mining tenements acquired or increased	N/A	N/A	N/A	N/A

+ 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 (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	693,638,542	693,638,542	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues	160,362,025	160,362,025	1 cents	1 cents
(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	160,362,025	160,362,025	2.5 cents	30 June 2014
Unlisted options	21,250,000	Nil	5 cents	1 December 2014
7.8 Issued during quarter				
Listed options	160,362,025	160,362,025	2.5 cents	30 June 2014
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 (totals only)	Nil	N/A		
7.12 Unsecured notes (totals only)	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: 
Company secretary

Date: 30 April 2013

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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