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31 January 2014

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

Via ASX Online

Number of pages – 13

Dear Sir,

Quarterly activity report to 31 December 2013

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

Activity Report for the quarter ended 31 December 2013

Highlights

Mary Kathleen Joint Venture

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

Mount Frosty

- Rock chip samples from gossan outcrop potentially extend the Blue Caesar zone for 1000 metres to the north-west.

Musgrave Minerals Limited (MGV)

(Goldsearch Limited 7.17% shareholding in MGV)

Menninnie Dam Project

- Drilling commences over seven near surface priority targets

Deering Hills Project

- Massive and disseminated nickel-copper sulphide intersected at Pallatu



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MARY KATHLEEN JOINT VENTURE

(GSE 30% CYU 70%)

MOUNT FROSTY JOINT VENTURE

During the quarter Chinalco Yunnan Copper Resources Limited (CYU), as operator of the Mary Kathleen Joint Venture with Goldsearch Limited (GSE), continued to advance exploration along the Mary Kathleen Shear Zone.

Mapping and rock chip sampling carried out during the quarter to the north-west of CYU's Blue Caesar prospect has potentially extended the strike of this mineralised zone for 1000 metres. Discontinuous zones of gossan, assaying from 0.2% to 3% copper with elevated cobalt, have been sampled through extensive soil cover.

A sample from gossan outcrop at the Jubilee prospect, to the west of Blue Caesar, returned 3% copper and 1.9 grams per tonne (g/t) gold.

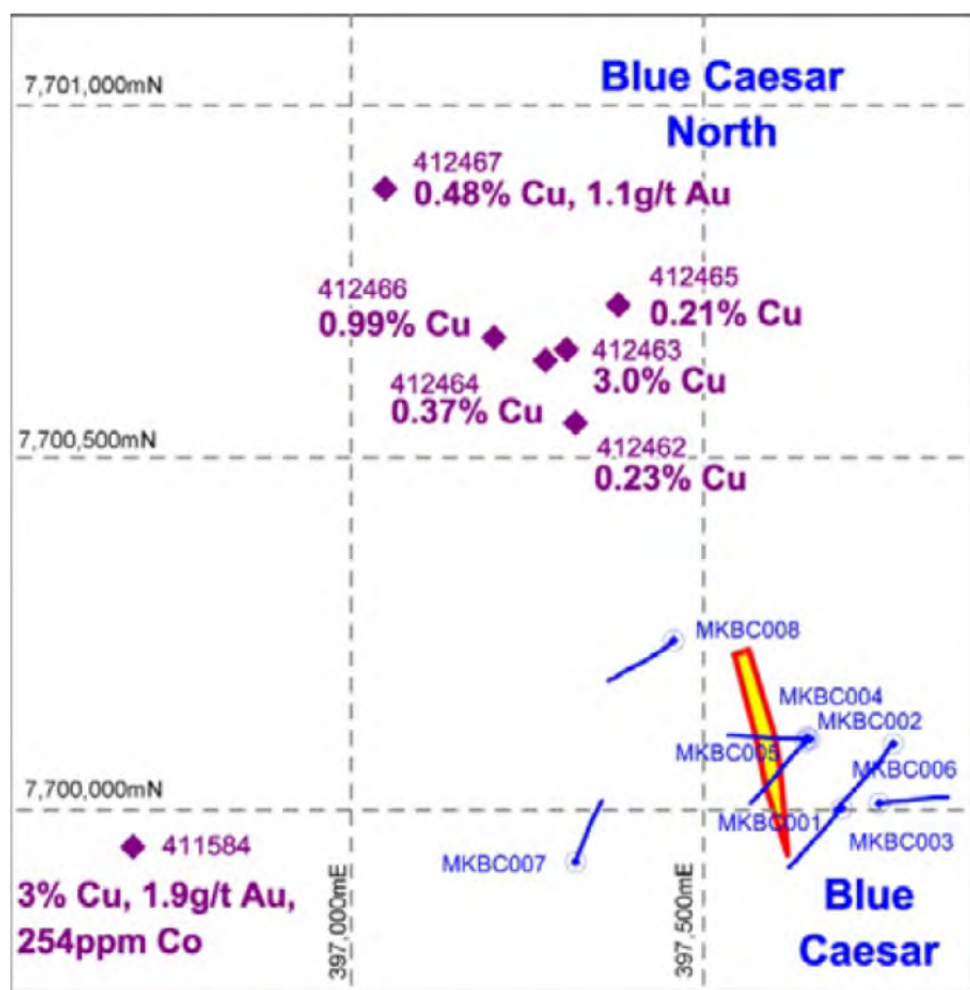


Figure 1: Rockchip sample areas north-west of the copper mineralisation previously intersected in the Blue Caesar drilling programs of 2013

MUSGRAVE MINERALS LIMITED (ASX:MGV)

(GSE 7.17% shareholding in MGV)

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

MGV has 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.

Menninnie Dam Project

MGV previously identified seven high priority versatile time domain electromagnetic (VTEM) anomalies with coincident surface silver geochemical anomalism at the Menninnie Dam Project, southern Gawler Craton region. Follow up mapping, rock-chip sampling and infill soil geochemistry completed on the VTEM targets and surrounding areas identified high priority targets for aircore drilling. Mineralised rock-chip samples containing up to 14.2 g/t silver, 0.15% molybdenum, 39ppb gold and 416ppm copper have been returned from surface mapping.

On 14 November 2013 MGV announced the commencement of aircore drilling on seven high priority near-surface targets (**Figure 2**). Approximately 60 holes for a minimum of 3,000 metres (m) of aircore drilling is planned with drill hole depths expected to vary between 20m and 100m.

The new targets are highly regarded with the Erebus, Sidley and Frakes prospects having widespread silver and lead anomalism in rock-chip samples and soil geochemistry coincident with high priority VTEM targets and outcropping epithermal veining. These prospects are only 5 kilometres south-west of the existing Menninnie Central and Viper deposits.

Strong sericite, carbonate, pyrite alteration coincident with anomalous silver, gold and molybdenum is also a priority target at Tank Hill and is consistent with the new porphyry-epithermal model Musgrave has for the project. The Masaraga and Taal VTEM targets also host anomalous molybdenum and copper from surface sampling. The Spare Rib target has anomalous silver and lead in rock-chip and soil samples coincident with a priority VTEM target.

Deering Hills Project

During the quarter, on 4 November 2013, MGV advised that a ground electromagnetic (EM) survey over nickel-copper sulphide targets at the Deering Hills Project had confirmed the presence of strong basement conductors at the newly granted EL5317 Pallatu targets upon which a 500m drilling program commenced.

On 9 December 2013 MGV advised that it had intersected massive and disseminated nickel-copper sulphide at Pallatu.

MGV drilled a total of five holes for 504m, testing five separate conductive targets identified from surface EM surveys (**Figure 3**). Drilling intersected a combination of massive, matrix and disseminated sulphide in all five drill holes from as shallow as 35.7m down hole. The drilling has shown that the system is mineralised with peak assays up to 0.5% nickel, 0.8% copper and 0.6 g/t platinum, palladium + gold over narrow intervals in fresh rock.

All five surface EM conductors drilled to date are interpreted to be sourced from a combination of massive and matrix sulphide and graphite which is intimately associated with the mineralisation (**Figure 4**). The mineralisation is hosted within sulphide bearing interpreted Giles complex, gabbros and pyroxenites. Giles Complex gabbroic intrusives are known to host nickel sulphide mineralisation elsewhere in the Musgrave Province.

Musgrave Minerals Managing Director Rob Waugh said “This discovery is potentially very significant as it has defined a new mineralised intrusive system in the region. A re-assessment of ground EM data has highlighted a potentially significant and extensive subtle conductor at depth to the north of the current drilling. The new target, identified as Pallatu 7, is interpreted as approximately 1,500m long at a vertical depth of approximately 280m (**Figure 5**). This is right at the limit of the interpretability of the existing EM survey data and further ground EM will be required to better define this potentially significant conductor. The important question for us is; are we on the edge of something significant? Only further exploration, including additional EM and drilling will answer that question.”

Down-hole EM surveys and additional surface EM surveys are planned prior to potential drilling recommencing. EM is a key tool in the exploration for massive nickel sulphides as these are usually strong bedrock conductors. Future exploration will be focused on defining areas with the potential for the accumulation of high grade nickel-copper massive sulphide zones and Platinum Group Elements (PGE).

The PGE results are also very encouraging and have highlighted the potential of the area to host economic PGE mineralisation.

The exploration target model is mafic/ultramafic hosted massive nickel-copper sulphide mineralisation similar to the large deposits at Voisey’s Bay in Canada and Sirius’ Nova deposit in the Fraser Range of Western Australia.

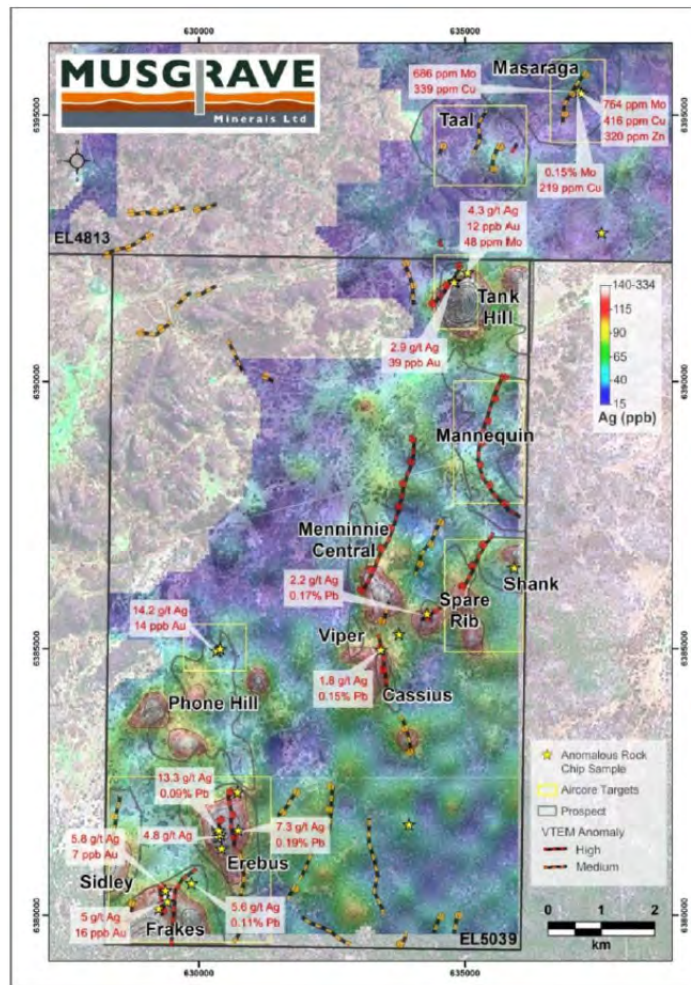


Figure 2: Location of Menninnie Dam prospects with anomalous rock-chip sample results and VTEM targets on silver soil geochemical grid and ortho-image.

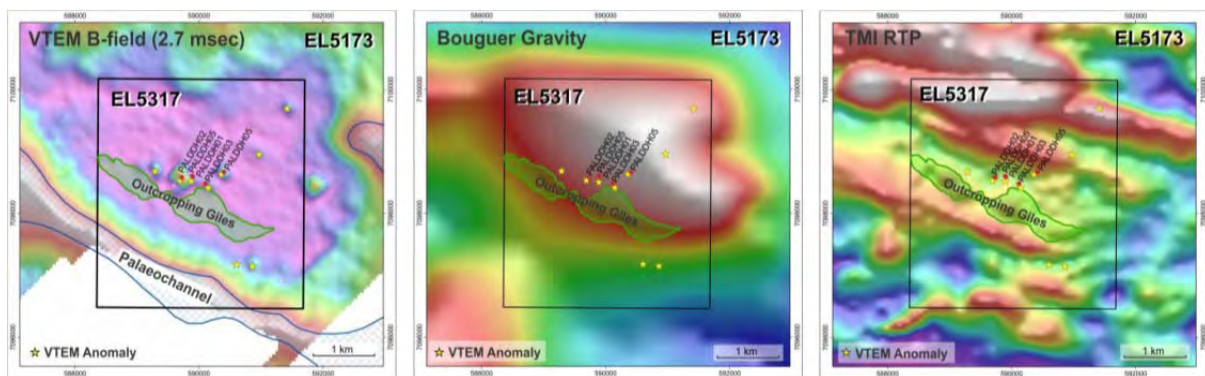


Figure 3: Image showing new Pallatu licence with VTEM targets, coincident bouguer gravity anomaly and magnetic anomalies in relation to the known Giles Complex mafic/ultramafic intrusives. The remainder of the licence is under shallow sand cover.

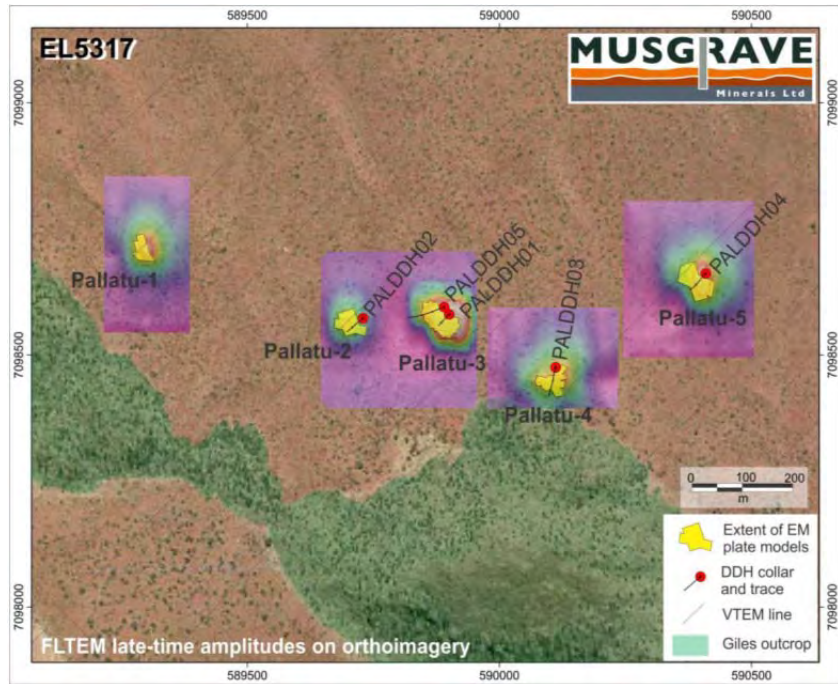


Figure 4: Image showing Pallatu ground EM targets and drill holes on Landsat backdrop. Giles Complex outcrop is shown in green. The remainder of the area is under shallow sand cover.

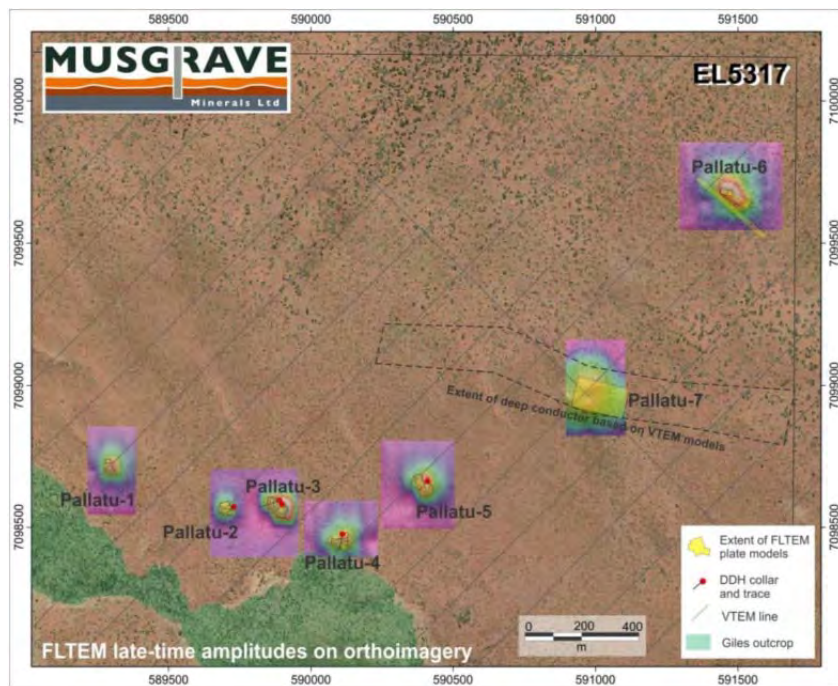


Figure 5: Image showing fixed loop ground EM (FLTEM) targets and drill holes on Landsat backdrop, including the untested Pallatu 6 and 7 EM targets.

Bryson Hill Project

MGV is earning a 75% interest in the Bryson Hill Project (EL5205) from Pitjantjatjara Mining Company Pty Ltd and Zeil No. 1 Pty Ltd in the Musgrave Geological Province in the far north of South Australia.

On 9 October 2013 MGV announced the discovery of a new nickel-copper sulphide gossan at a target named Smeagol on EL5205.

MGV has successfully completed a heritage survey to enable ground EM and drilling over Smeagol.

The Smeagol gossan is located close to a major structure interpreted from aeromagnetic Total Magnetic Intensity (TMI) data. Major structures in the area are important for controlling the emplacement of mafic intrusive bodies often associated with magmatic nickel-copper mineralisation.

DUCK CREEK JOINT VENTURE

(QMN earning in up to 75%, GSE diluting to 25%)

Queensland Mining Corporation (ASX:QMN) is continuing to review its Queensland projects. Goldsearch is encouraged by the results to date on the Duck Creek Joint Venture tenements.

MOUNT WELLINGTON PROJECT

(GSE 100%)

No further work on the Mount Wellington Project was carried out during the quarter.

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 2012 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 Willsteed, BE (Min) Hons, BA, FAusIMM as a Competent Person for Goldsearch Limited. Mr Willsteed 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 December 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 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	(47)	(101)
(b) development	-	-
(c) production	-	-
(d) administration	(152)	(347)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net operating cash flows	(196)	(441)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1)	(1)
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	(1)	(1)
1.13 Total operating and investing cash flows (carried forward)	(197)	(442)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(197)	(442)
	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 – share issue cost	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(197)	(442)
1.20	Cash at beginning of quarter/year to date	408	653
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter (see Note 1 below)	211	211

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 \$737,205.

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	44
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	40,288
- Directors' superannuation	3,727

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 December 2013.	737	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	120
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	220

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	182	380
5.2 Deposits at call	29	28
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (see note to item 1.22)	211	408

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	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	160,362,025	160,362,025	2.5 cents	30 June 2014
Unlisted options	22,250,000	Nil	5 cents	1 December 2014
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 (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: 31 January 2014

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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