

gsh/psh/gsh623

1 March 2005

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

Via ASX Online

No. of pages - 15

Dear Sir,

Re: Condensed financial report for the half-year ended 31 December 2004

Enclosed for release to the market is the condensed financial report for Goldsearch Limited for the half-year ended 31 December 2004 together with a copy of the independent audit review report thereon. This report comprises the half-year information to be given to ASX under listing rule 4.2A

The report should be read in conjunction with the Company's annual report for the year ended 30 June 2004 and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

For and on behalf of the directors of
Goldsearch Limited



P S Hewson
Secretary

GOLDSEARCH LIMITED
ABN 73 006 645 754

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2004**

DIRECTORS' REPORT

Your directors have pleasure in submitting the Interim Financial Report of the Company for the half-year ended 31 December 2004 and report as follows:

Directors

The names of the directors in office throughout the half-year ended 31 December 2004 and at the date of this report are:

Mr. J. Landerer CBE AM
Mr. A.G. Harris
Mr. R.B. Leece AM RFD
Mr. J.M.E. Percival
Mr. T V Willsted (appointed 20 July 2004)

Principal activities

The principal activities of the Company during the half-year were exploration for gold and other minerals.

There were no significant changes in the nature of activities of the Company that occurred during the half-year.

Review of operations

During the half-year under review:

- The Company expended \$314,000 on exploration and \$206,000 on administration.
- On 15 July 2004 a total of 13,500,000 unquoted options on issue by the Company expired.
- On 20 July 2004 Mr T V Willsted was appointed a director of the Company to fill a casual vacancy on the board. His appointment was confirmed by shareholders at the annual general meeting held on 25 November 2004.
- On 25 August 2004 the Company allotted a total of 750,000 ordinary shares as part consideration for the acquisition of ML 50098 and MLA 50513 Yorkeys.
- On 30 September 2004 the Company received \$273,870 cash and 5,966,667 ordinary fully paid shares in Avon Resources Limited (now Copperco Limited) as part consideration for the sale of the whole of its investment in Reefway Pty Limited.

- On 12 October 2004 Independence Group NL (Independence), as manager of the Musgrave Joint Venture, reported encouraging results from the wide-spaced reconnaissance geochemical sampling program which it had conducted over targeted portions of ELs 5701 and 5703 in the Northern Territory and advised that it proposed a follow-up infill sampling program in the December quarter.
- Independence, as manager of the Musgrave Joint Venture, completed a shallow bedrock sample drill program on EL 2910 De Rose Hill in South Australia.
- On 7 December 2004 the Company announced results from a reverse circulation drilling program at the Yorkeys project in central Queensland. The results announced were encouraging and further drilling is planned in the new year.
- In the report for the quarter ended 31 December 2004 the Company announced the results of drill programs at Yorkeys and EPM 13336 Duck Creek and advised that encouraging results were received from widespread reconnaissance geochemical sampling in the Bloods Range of the Northern Territory .

Information on directors

John Landerer CBE AM –

(non-executive chairman of directors)

- Appointed as director and non-executive chairman on 11 October 1995.
- A qualified lawyer – LL.B., Sydney University.
- Senior partner of Sydney solicitors, Landerer & Company.
- A director of a number of prominent private family companies.
- Beneficially owns 2,829,936 fully paid ordinary shares in the capital of the Company and has an indirect interest in a further 1,621,565 fully paid ordinary shares and 621,565 quoted options.

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DIRECTORS' REPORT

Albert G. Harris -

(non-executive director)

- Appointed a director on 11 October 1995.
- Member of the Institute of Measurement and Control and Fellow of The Energy Institute.
- Has been involved in the international petroleum and mineral resources industries for over 50 years.
- Has had senior management responsibility for exploration operations and the development of petroleum and mineral projects in Australia, the Middle East, West Africa and the USA.
- Director of Takoradi Limited and PepinNini Minerals Limited.
- Beneficially owns 110,000 fully paid ordinary shares in the capital of the Company.

John M.E. Percival –

(non-executive director and acting general manager - operations)

- Appointed a director on 11 October 1995.
- Has been involved in investment and merchant banking for over 25 years including 15 years as investment manager for Barclays Bank New Zealand Limited.
- Has had extensive experience in stockbroking, corporate finance and investment management.
- Beneficially owns 1,600,000 fully paid ordinary shares in the capital of the Company and has an indirect interest in a further 600,000 fully paid ordinary shares.

Robert B. Leece AM RFD -

(non-executive director)

- Appointed a director on 7 August 2002.
- A civil engineer with extensive experience in project management and construction, both in the private and public sectors.
- Formerly director general of the Olympic Co-ordination Authority and chief executive of the Olympic Roads and Transport Authority for the 2000 Sydney Olympic Games.
- He was also chairman of the Southern Sydney Recovery Task Force to co-ordinate and manage the damage from the 1999 Sydney hail storms.
- Has been involved as a director of several public and private development

companies including Abigroup, Transfield and Merlin International Properties.

- Indirectly holds 8,662,465 fully paid ordinary shares in the capital of the Company and 621,565 quoted options.

Terence V. WILLSTEED

(non-executive director)

- Appointed a director on 20 July 2004.
- A qualified mining engineer - BE (Mining) Queensland University and a Fellow of the Australian Institute of Mining and Metallurgy with over 45 years experience in mining operations, mineral processing, corporate management and consulting practice.
- Substantial activities have been involved in gold, uranium, base metal, PGM, oil shale and coal resource projects.
- Gained operational and management experience with Zinc Corporation Limited, Mount Isa Mines Limited and Consolidated Goldfields Australia Limited.
- Principal of Terence Willstead & Associates, Consulting Mining Engineers since 1973.
- As a member of the Mineral Industry Consultants Association Board of Management has participated in the formation of the Joint Ore Reserves Committee and the formulation of the Australian Code for the Reporting of Resources and Ore Reserves.
- Director of Climax Mining Limited and Kimberley Oil NL.
- Indirectly holds 500,000 fully paid ordinary shares in the capital of the Company.

Directors' meetings

Attendance of individual directors at board meetings held during the half year ended 31 December 2004 was as follows:-

<i>Director</i>	<i>Meetings held</i>	<i>Meetings attended</i>
J. Landerer CBE AM	4	4
A.G. Harris	4	4
R.B. Leece AM RFD	4	2
J.M.E. Percival	4	4
T.V. Willstead	4	4

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DIRECTORS' REPORT

In addition meetings of the audit committee were attended by directors as follows:-

J. Landerer CBE AM	1	1
A.G. Harris	1	1
R.B. Leece AM RFD	1	1
J.M.E. Percival	1	1
T.V. Willsteed	1	1

Directors' benefits

Since the end of the previous financial year no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the annual financial report of the Company, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related entity with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than:

- Mr J Landerer, CBE AM receives a benefit from fees for legal services provided by the Company's solicitors, Landerer & Company, of which he is the senior partner. Fees for these services provided during the half-year totalled \$21,331 (2003: \$Nil)

Auditor's independence declaration

An independence declaration has been provided by the Company's auditor, William Buck. A copy of this declaration is attached to, and forms part of, the Interim Financial Report for the half-year ended 31 December 2004.

Signed in accordance with a resolution of the board of directors.

J. Landerer CBE AM
Director

A.G. Harris
Director

Sydney
1 March 2005

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CONDENSED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

	Note	2004	2003
		\$	\$
Revenues from ordinary activities		<u>499,507</u>	<u>24,359</u>
Total revenue from ordinary activities		499,507	24,359
Total expenses from ordinary activities		<u>(630,750)</u>	<u>(241,118)</u>
Profit/(loss) from ordinary activities before income tax expense	2	(131,243)	(216,759)
Income tax expense relating to ordinary activities		<u>-</u>	<u>-</u>
Profit/(loss) from ordinary activities after income tax expense		(131,243)	(216,759)
Net profit/(loss)		<u>(131,243)</u>	<u>(216,759)</u>
Net profit/(loss) attributable to members of Goldsearch Limited		<u>(131,243)</u>	<u>(216,759)</u>
Basic earnings/(loss) per share - cents per share	4	<u>(0.07)</u>	<u>(0.24)</u>

The accompanying notes form part of these financial statements

GOLDSEARCH LIMITED
ABN 73 006 645 754

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

	Note	31/12/2004	30/06/2004	31/12/2003
		\$	\$	\$
CURRENT ASSETS				
Cash assets		366,708	673,482	973,954
Receivables		147,686	13,953	21,920
Other		24,794	20,402	21,403
TOTAL CURRENT ASSETS		<u>539,188</u>	<u>707,837</u>	<u>1,017,277</u>
NON-CURRENT ASSETS				
Property, plant & equipment		9,752	6,150	4,889
Exploration and investment expenditure	3	2,036,588	1,737,385	2,231,515
Other financial assets		346,007	531,507	531,507
TOTAL NON-CURRENT ASSETS		<u>2,392,347</u>	<u>2,275,042</u>	<u>2,767,911</u>
TOTAL ASSETS		<u>2,931,535</u>	<u>2,982,879</u>	<u>3,785,188</u>
CURRENT LIABILITIES				
Payables		82,446	36,457	42,015
Provision		37,494	32,083	30,263
TOTAL CURRENT LIABILITIES		<u>119,940</u>	<u>68,540</u>	<u>72,278</u>
TOTAL LIABILITIES		<u>119,940</u>	<u>68,540</u>	<u>72,278</u>
NET ASSETS		<u>2,811,595</u>	<u>2,914,339</u>	<u>3,712,910</u>
EQUITY				
Contributed equity		22,724,855	22,696,356	22,696,356
Accumulated losses	5	<u>(19,913,260)</u>	<u>(19,782,017)</u>	<u>(18,983,446)</u>
TOTAL EQUITY		<u>2,811,595</u>	<u>2,914,339</u>	<u>3,712,910</u>

The accompanying notes form part of these financial statements

GOLDSEARCH LIMITED
ABN 73 006 645 754

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

	2004	2003
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(205,905)	(235,413)
Interest received	<u>12,555</u>	<u>24,977</u>
Net cash provided by/(used in) operating activities	<u>(193,350)</u>	<u>(210,436)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for exploration activities	(282,626)	(133,962)
Proceeds from sale of investments	273,870	-
Purchase of property, plant & equipment	(4,668)	-
Payment for investment in mining entities	<u>(100,000)</u>	<u>(19,358)</u>
Net cash provided by/(used in) investing activities	<u>(113,424)</u>	<u>(153,320)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on interest bearing liabilities	-	-
Proceeds from issue of shares & options	<u>-</u>	<u>-</u>
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held	(306,774)	(363,756)
Cash at 1 July	<u>673,482</u>	<u>1,337,710</u>
Cash at 31 December	<u><u>366,708</u></u>	<u><u>973,954</u></u>

The accompanying notes form part of these financial statements

GOLDSEARCH LIMITED
ABN 73 006 645 754

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

1. STATEMENT OF ACCOUNTING POLICIES

a) General

The half-year financial statements are a general purpose financial report prepared in accordance with Accounting Standard AASB 1029 - Interim Financial Reporting, the Corporations Act 2001 and other mandatory professional reporting requirements. It is recommended that these financial statements be read in conjunction with the financial statements for the year ended 30 June 2004 set out in the 2004 Annual Financial Report and any public announcements made by Goldsearch Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Company and are consistent with those of the previous financial year and corresponding half-year.

The interim financial report does not include full disclosures of the type normally included in an annual financial report.

b) International Financial Reporting Standards

The Australian Accounting Standards Board (AASB) is adopting International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB will issue Australian equivalents to IFRS, and Urgent Issues Group Abstracts corresponding to International Financial Reporting Interpretations adopted by the International Financial Standards Board (IASB). These Australian pronouncements will be known as Australian International Financial Reporting Pronouncements (AIFRPs). The adoption of the AIFRPs will be first reflected in the Company's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

The board of directors will manage the transition to AIFRPs, including training of staff and system and internal control changes necessary to gather all the required financial information. Priority will be given to consideration of the preparation of an opening balance sheet in accordance with AIFRPs as at 1 July 2004. A number of accounting policy changes may be required. In some cases, choices of accounting policies are available including elective exemptions under AASB 1 First-time Adoption of Australian International Financial Reporting Pronouncements. Some of these choices are still to be analysed to determine the most appropriate accounting policy.

Major changes identified to date that will be required to the economic entity's existing accounting policies include the following:

Exploration, evaluation and development costs

The IASB has yet to issue a standard dealing with exploration and evaluation costs. It is currently expected that a standard will be released early in 2005, which will be based on Exposure Draft ED6 – Exploration for and Evaluation of Mineral Resources. ED6 proposes that entities can elect to recognise and measure exploration and evaluation assets in accordance with accounting policies applied in their most recent annual financial statements. Entities will only be permitted to carry forward such costs after also having applied AASB136 – Impairment of Assets in respect of any impairment.

At present the Company recognises exploration and evaluation costs as an asset until such time that the area of interest associated with the costs is abandoned or proceeds to development. When the area of interest is abandoned the costs are expensed. As areas of interest reach the development stage, which permits a reasonable assessment of the economically recoverable reserves, these costs are to be amortised over the life of the associated reserves on a unit of production basis.

As the standard is yet to be issued, it is not included in the "stable platform" of standards that the AASB has made available by 31 December 2004 for Australian entities to use on transition to IFRS. The future financial effect of this possible change in accounting policy is not yet known.

GOLDSEARCH LIMITED
ABN 73 006 645 754

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

1. STATEMENT OF ACCOUNTING POLICIES (continued)

International Financial Reporting Standards (IFRS) (continued)

Income tax

The Company currently recognises deferred taxes by accounting for the differences between accounting profits and taxable income, which gives rise to 'permanent' and 'timing' differences. Pursuant to the AIFRPs, deferred taxes are measured by reference to the temporary differences determined as the difference between the carrying amount and the tax base of assets and liabilities recognised in the Statement of Financial Position.

The Company has carried forward tax losses which have not been recognised as deferred tax assets as they do not satisfy the 'virtually certain' criteria of current Australian Generally Accepted Accounting Principles (GAAP). Pursuant to the AIFRPs these tax losses may be more readily recognised as deferred tax assets as the 'probable' recognition criteria is less stringent than the 'virtually certain' test of Australian GAAP. The impact of this difference is not considered to materially change the recognition of tax related balances.

Rehabilitation and restoration costs

The accounting treatment for the provision for rehabilitation commitments under IFRS is prescribed under a combination of AASB 116 Property, Plant and Equipment and AASB 137 Provisions, Contingent Liabilities and Contingent Assets. On transition to IFRS an estimate of the present rehabilitation liability will be recorded, on a discounted basis, where a legal and constructive obligation to rehabilitate property exists. To the extent the activity that gives rise to the rehabilitation liability represents the construction of an asset, the corresponding cost is included in the asset and amortised over the life of the mine. Otherwise the provision is expensed as a period cost. The Company currently accrues, where appropriate, an estimated amount for the future rehabilitation of an estimated amount for the future rehabilitation of exploration sites. The future financial effect of this change in accounting policy is expected to be an increase in the provision for rehabilitation.

2. LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX

	Half-year ended	
	31/12/04	31/12/03
	\$	\$
Loss from ordinary activities before income tax has been determined after the following items whose disclosure is relevant in explaining the financial performance:		
- Depreciation of plant and equipment	1,053	967
- Rental expense on operating leases	17,022	19,371
- Profit on sale of investment in Reefway Pty Ltd	452,870	-
- Write-off of cost of investment in Reefway Pty Ltd	375,000	-
- Printing	28,282	16,710
- Write-off of capitalised exploration expenditure on areas of interest abandoned during the period	15,095	26,676
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GOLDSEARCH LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2004

3. EXPLORATION AND INVESTMENT EXPENDITURE

	31/12/04	30/06/04
	\$	\$
Exploration and investment expenditure	2,036,588	1,737,385

This item relates to the aggregate of expenditure at cost on mining tenements. Mining leases are to be amortised when production commences, or written off to the statement of financial performance in accordance with AASB1022.

The above carrying values do not purport to be the amount receivable by the Company in the event the interests in the mining tenements were farmed out or sold, with the recovery of this capitalised exploration cost dependent upon future successful exploration or realisation of this asset.

4. EARNINGS/(LOSS) PER SHARE

As at 31 December 2004, the Company had on issue 36,491,869 (2003: 49,991,869) options over unissued shares in the capital of the Company. As the notional exercise price of these options would decrease basic loss per share they have not been considered dilutive.

5. ACCUMULATED LOSSES

	31/12/04	30/06/04
	\$	\$
Accumulated losses at the beginning of the half-year	(19,782,017)	(18,766,687)
Net loss attributable to members of Goldsearch Limited	(131,243)	(1,015,330)
Accumulated losses at the end of the half-year	(19,913,260)	(19,782,017)

6. MATTERS SUBSEQUENT TO BALANCE DATE

There has not arisen, in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent reporting periods.

7. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual financial report.

8. SEGMENT REPORTING

The Company operates predominantly in Australia. Industry segment information is as follows:

	Revenue		Results	
	31/12/04	31/12/03	31/12/04	31/12/03
	\$	\$	\$	\$
Mineral exploration	-	-	(15,095)	(26,676)
Other investments	487,870	-	112,870	-
Unallocated	11,637	24,359	(229,018)	(190,083)
	499,507	24,359	(131,243)	(216,759)

During the half-year the Company continued its activities in mineral exploration and investments.

GOLDSEARCH LIMITED
ABN 73 006 645 754

DIRECTORS' DECLARATION

The directors of Goldsearch Limited declare that:

- a) the condensed financial statements and notes for the half-year ended 31 December 2004 comply with accounting standard AASB 1029 - Interim Financial Reporting; the Corporations Act 2001; and other mandatory professional requirements;
- b) the condensed financial statements and notes for the half-year ended 31 December 2004 give a true and fair view of the financial position and the performance of the Company for the half-year then ended; and
- c) in the opinion of the directors there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Made in accordance with a resolution of the directors.

On behalf of the directors

J. Landerer CBE AM
Director

A.G. Harris
Director

Sydney
1 March 2005

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF GOLDSEARCH LIMITED
ABN 73 006 645 754**

Scope

We have reviewed the half year financial report of Goldsearch Limited for the half year ended 31 December 2004 comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to and forming part of the financial statements and the Directors' Declaration.

We have performed an independent review of the half year financial report in order to state whether, on the basis of procedures described, anything has come to our attention that would indicate that the half year financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the disclosing entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to meet its obligations to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report, as defined in the scope section of Goldsearch Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

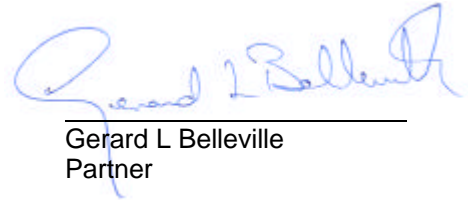
Inherent Uncertainty regarding Exploration Expenditure

Without qualification to the opinion expressed above, attention is drawn to the following matters.

The Company is involved with the conduct of continuing exploration and evaluation procedures in order to assess the existence and economic recoverability of minerals in its areas of interest. In accordance with the Company's accounting policy exploration expenditure of \$2,036,588 (30 June 2004 - \$1,737,385) has been carried as a non current asset. The recovery of these exploration costs is uncertain as it is dependent upon the successful development and exploitation, or sale, of the area of interest.



WILLIAM BUCK
Chartered Accountants



Gerard L Belleville
Partner

Dated this 1st of March 2005.

Auditor's Independence Declaration to the directors of Goldsearch Limited

I declare that, to the best of my knowledge and belief, in relation to our review of Goldsearch Limited for the half-year ended 31 December 2004 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001; and
- (ii) no contraventions of any applicable code of professional conduct.



William Buck
Chartered Accountants



Gerard Belleville
Lead Audit Partner

Dated this 1st day of March 2005.
Melbourne, Australia.