

gsh/psh/gsh598

1 March 2004

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

Via ASX Online

No. of pages - 13

Dear Sir,

Re: Condensed financial report for the half-year ended 31 December 2003

Enclosed for release to the market is the condensed financial report for Goldsearch Limited for the half-year ended 31 December 2003 together with a copy of the independent audit review report thereon.

For and on behalf of the directors of
Goldsearch Limited



P S Hewson
Secretary

GOLDSEARCH LIMITED
ABN 73 006 645 754

CONDENSED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2003

DIRECTORS' REPORT

Your directors have pleasure in submitting the Interim Financial Report of the Company for the half-year ended 31 December 2003 and report as follows:

Directors

The names of the directors in office throughout the half-year ended 31 December 2003 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

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 \$157,413 on exploration, \$214,442 on administration and wrote off \$26,676 in capitalised mining expenditure.
- Independence Group NL (Independence), as manager of the Musgrave Joint Venture, gained access to areas of interest in both the Northern Territory and South Australia allowing it to conduct concentrated exploration under its joint venture agreement with Goldsearch.
- During the September quarter Independence completed wide-spaced sampling on 2 kilometre by 500 metre and 4 kilometre by 500 metre grids on ELs 5702, 9443 and 9407 in the Northern Territory. Six areas were identified for follow up work.
- On EL 2910 (De Rose Hill), a program of infill sampling and transient electro magnetic (TEM) surveys was completed by Independence over two targets. Four major anomalies were identified in the area close to the Wanka Wanka Hill nickel occurrence of

the 1970's. The purpose of the program was to determine the prospectivity of the anomalies and to gather sufficient information to identify future drill targets.

- A 1,000 metre 10 hole drilling program was undertaken on EL 6094- Windeyer, an historical gold producing area located near Hargraves in central western NSW. Results from the program were inconclusive as the small RAB rig which was used was unable to drill below the water table.
- In the December quarter Red Metal Limited/Phelps Dodge Australasia Inc. alliance (the Company's joint venture partner) commenced drilling on EL 2899 - Hawks Nest in the Gawler Craton region of South Australia to test two geophysical targets. The first pre-collared diamond drill hole intersected dense rocks comprising banded hematite-magnetic gneiss typical of a highly metamorphosed banded iron formation.
- During the December quarter, work by Independence on the Musgrave Joint Venture project consisted of additional follow-up soil geochemical sampling and ground geophysical surveys on DeRose Hill (EL 2910) in South Australia and confirmation reconnaissance soil geochemical sampling on ELs 9407 and 9443 in the Northern Territory.
- The geochemical sampling at DeRose Hill highlighted two new areas for follow-up work. A ground electro-magnetic geophysical survey is scheduled for one of these targets in March 2004.
- The geochemical sampling over five target areas on ELs 9407 and 9443 was undertaken to confirm anomalous areas as defined by the wide-spaced, first-pass regional sampling. Two target areas were generated from this sampling.

DIRECTORS' REPORT

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.
- Chairman of directors of National Hire Group Limited and a director of a number of other prominent private family companies.
- Beneficially holds 2,829,936 fully paid ordinary shares in the capital of the Company and has an indirect interest in a further 1,621,565 ordinary shares, 621,565 quoted options and 3,000,000 unquoted options.

Albert G. Harris -
(non-executive director)

- Appointed a director on 11 October 1995.
- Member of the Institute of Measurement and Control.
- Has been involved in the international petroleum and mineral resources industries for 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 Gold NL and Pan Palladium Limited.
- Beneficially holds 110,000 fully paid ordinary shares in the capital of the Company and 3,000,000 unquoted options.

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 holds 900,000 fully paid ordinary shares in the capital of the Company and has an indirect interest in a further 400,000 ordinary shares and 3,000,000 unquoted options.

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 deputy director general of the Olympic Co-ordination Authority and chief executive of the Olympic Roads and Transport Authority for the 2000 Sydney Olympic Games.
- A trustee of the Sydney Opera House Trust and a member of a number of NSW state government boards.
- Has been involved as a director of several public and private development companies including Abigroup, Transfield and Merlin International Properties. He is currently the chief executive officer of Tenix Investments Pty Limited.
- Indirectly holds 8,662,465 fully paid ordinary shares in the capital of the Company and 621,565 quoted options.

DIRECTORS' REPORT

Directors' meetings

Attendance of individual directors at board meetings held during the half year ended 31 December 2003 was as follows:-

<i>Director</i>	<i>Meetings held</i>	<i>Meetings attended</i>
J. Landerer CBE AM	5	4
A.G. Harris	5	5
R.B. Leece AM RFD	5	4
J.M.E. Percival	5	5

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

J. Landerer CBE AM	1	0
A.G. Harris	1	1
R.B. Leece AM RFD	1	1
J.M.E. Percival	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.

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

J. Landerer CBE AM
Director

A.G. Harris
Director

Sydney
1 March 2004

GOLDSEARCH LIMITED
ABN 73 006 645 754

CONDENSED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Note	31/12/03	31/12/02
		\$	\$
Interest Revenue		<u>24,359</u>	<u>13,084</u>
Total revenue from ordinary activities		24,359	13,084
Total expenses from ordinary activities		<u>(241,118)</u>	<u>(203,100)</u>
Profit/(loss) from ordinary activities before income tax expens	2	(216,759)	(190,016)
Income tax expense relating to ordinary activities		<u>-</u>	<u>-</u>
Profit/(loss) from ordinary activities after income tax expense		(216,759)	(190,016)
Net profit/(loss)		<u>(216,759)</u>	<u>(190,016)</u>
Net profit/(loss) attributable to members of Goldsearch Limited		<u>(216,759)</u>	<u>(190,016)</u>
Basic earnings/(loss) per share - cents per share	4	<u>(0.24)</u>	<u>(0.26)</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 2003

	Note	31/12/03	30/06/03	31/12/02
		\$	\$	\$
CURRENT ASSETS				
Cash assets		973,954	1,337,710	436,218
Receivables		21,920	22,715	5,047
Other		21,403	22,300	24,299
TOTAL CURRENT ASSETS		<u>1,017,277</u>	<u>1,382,725</u>	<u>465,564</u>
NON-CURRENT ASSETS				
Property, plant & equipment		4,889	5,872	7,133
Exploration and investment expenditure	3	2,231,515	2,100,778	2,753,381
Other financial assets		531,507	521,500	476,817
TOTAL NON-CURRENT ASSETS		<u>2,767,911</u>	<u>2,628,150</u>	<u>3,237,331</u>
TOTAL ASSETS		<u>3,785,188</u>	<u>4,010,875</u>	<u>3,702,895</u>
CURRENT LIABILITIES				
Payables		42,015	60,493	68,104
Provisions		30,263	20,713	15,645
TOTAL CURRENT LIABILITIES		<u>72,278</u>	<u>81,206</u>	<u>83,749</u>
TOTAL LIABILITIES		<u>72,278</u>	<u>81,206</u>	<u>83,749</u>
NET ASSETS		<u>3,712,910</u>	<u>3,929,669</u>	<u>3,619,146</u>
EQUITY				
Contributed equity		22,696,356	22,696,356	21,236,681
Accumulated losses	5	<u>(18,983,446)</u>	<u>(18,766,687)</u>	<u>(17,617,535)</u>
TOTAL EQUITY		<u>3,712,910</u>	<u>3,929,669</u>	<u>3,619,146</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 2003

	31/12/03	31/12/02
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(235,413)	(221,275)
Interest received	24,977	13,084
	<u>(210,436)</u>	<u>(208,191)</u>
Net cash provided by/(used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for exploration activities	(133,962)	(142,951)
Payment for investment in listed entities	(19,358)	(4,072)
	<u>(153,320)</u>	<u>(147,023)</u>
Net cash provided by/(used in) investing activities		
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		
Net increase/(decrease) in cash held	(363,756)	(355,214)
Cash at 1 July	1,337,710	791,432
Cash at 31 December	<u>973,954</u>	<u>436,218</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 2003**

1. STATEMENT OF ACCOUNTING POLICIES

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 2003 set out in the 2003 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.

2. LOSS FROM ORDINARY ACTIVITIES

	Half-year ended	
	31/12/03	31/12/02
	\$	\$
Loss from ordinary activities before income tax has been determined after:		
Expenses:		
Depreciation of plant and equipment	967	1,292
Rental expense on operating leases	19,371	17,068
Printing	16,710	23,716
Write-off of capitalised exploration expenditure on areas of interest abandoned during the period		
	26,676	-

3. EXPLORATION AND INVESTMENT EXPENDITURE

	31/12/03	30/06/03
	\$	\$
Exploration and investment expenditure	2,231,515	2,100,778

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.

GOLDSEARCH LIMITED
ABN 73 006 645 754

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

4. EARNINGS/(LOSS) PER SHARE

As at 31 December 2003, the Company had on issue 49,991,869 (2002: 12,000,000) 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

	31/12/03	30/06/03
	\$	\$
Accumulated losses at the beginning of the half-year	(18,766,687)	(17,427,519)
Net loss attributable to members of Goldsearch Limited	(216,759)	(1,339,168)
Accumulated losses at the end of the half-year	(18,983,446)	(18,766,687)

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	
	31/12/03	31/12/02	31/12/03	31/12/02
	\$	\$	\$	\$
Mineral exploration	-	-	(26,676)	-
Other investments	-	-	-	-
Unallocated	24,359	13,084	(190,083)	(190,016)
	24,359	13,084	(216,759)	(190,016)

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 financial statements and notes for the half-year ended 31 December 2003 comply with accounting standard AASB 1029 - Interim Financial Reporting; the Corporations Act 2001; and other mandatory professional requirements;
- b) the financial statements and notes for the half-year ended 31 December 2003 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 2004

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

Scope

We have reviewed the Interim Financial Report of Goldsearch Limited for the half-year ended 31 December 2003, consisting of the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows, accompanying notes and the Directors' Declaration.

The company's directors are responsible for the preparation and true and fair presentation of the Interim Financial Report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the Interim Financial Report.

We have performed an independent review of the Interim Financial Report in order to state whether, on the basis of procedures described, anything has come to our attention that would indicate that the Interim Financial Report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements, statutory requirements, and ASX Listing Rules. We have performed this review, so as to present a view which is consistent with our understanding of the entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to meet its obligations to lodge the financial report with the Australian Securities and Investments Commission (ASIC) and the ASX. We disclaim any assumption of responsibility for any reliance on this review report or on the Interim Financial Report to which it relates to any person other than the ASIC and the ASX.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the company's personnel and analytical procedures applied to the financial data. Our review has not involved a study and evaluation of internal accounting controls or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.



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 Interim 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 entity's financial position as at 31 December 2003 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; and
- (b) other mandatory professional reporting requirements and ASX Listing Rules.

Inherent Uncertainty regarding Exploration Expenditure and Investment in Unlisted Company

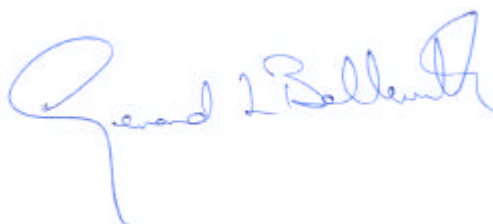
Without qualification to the opinion expressed above, attention is drawn to the following matters.

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 \$2,231,515 (30 June, 2003 - \$2,100,778) 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.

The Company has an investment in an unlisted mining exploration company. The recovery of this investment is uncertain as it is dependant upon the successful development and exploitation, or sale, of that company's mining interests.



WILLIAM BUCK
Chartered Accountants



Gerard L Belleville
Partner

Dated this 1st day of March 2004.
Melbourne, Australia.