

gsh/psh/asx june 03 qtr

30 July 2003

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

Via ASX Online

No. of pages - 10

Dear Sir,

Re: Report for the quarter ended 30 June 2003

Enclosed please find the quarterly report and duly completed Appendix 5B for Goldsearch Limited for the quarter ended 30 June 2003.

Yours faithfully,



P S Hewson
Secretary

Quarterly report for the period ended 30 June 2003

HIGHLIGHTS

Musgrave Block project – Independence Gold joint venture

It is gratifying for your Company to finally have action on the ground in these regions after 8 years of negotiations with authorities. The Central Land Council has completed its clearance of another two major Northern Territory tenements, ELs 5701 and 5703 to which we expect to gain entry in coming months. Independence Gold NL now has access to areas of interest in both the Northern Territory and South Australia that will allow it to conduct concentrated exploration under its joint venture agreement with Goldsearch.

Northern Territory - ELs 5702, 9443 and 9407 (Lasseter Highway, Docker River region)

Wide-spaced sampling on 2 kilometre by 500 metre and 4 kilometre by 500 metre grids was completed during the quarter with results expected within two weeks.

South Australia EL 2910 (De Rose Hill)

Infill sampling has been completed and Independence Gold NL is applying its technical experience and technology to evaluate the prospectivity of the area with the objective of defining drill targets for work later in the year.

Hawks Nest project

Our joint venture partner, Phelps Dodge Australasia Inc (PDA), expects to commence drilling on EL 2899 (Hawks Nest) during the December quarter as soon as the final tangential electro magnetic (TEM) ground survey has been completed and analysed.

Rheola project

During the quarter Goldsearch withdrew from its joint venture agreement with Rheola Gold Mining Company Pty Ltd after undertaking a drilling program to explore the gold potential of the Matrix Reef. A nine hole 786 metre percussion (RAB) drill program was completed and was not successful in finding any significant gold accumulation.

Duck Creek project

A new application EPMA 14088 has been lodged to replace EPM 13273 over an increased area at Cloncurry South, covering approximately 20 square kilometres.

Windeyer

Subsequent to 30 June exploration licence EL 6094 was granted to Goldsearch over this historical gold producing area located near Hargraves, 5 kilometres west of Windeyer, NSW.

Corporate

The 1 for 4 non-renounceable rights issue of 36,491,869 new shares with attached options was completed during the quarter. The issue raised approximately \$1.46 million before issue expenses of \$140,000.

Senior geological/corporate consultant

During the quarter the directors appointed Mr Tony Lethlean, B App Sc (Geology) of WHI Securities Pty Ltd investment bankers, as our senior geological/corporate consultant. Tony Lethlean is a non-executive director of Alkane Exploration Ltd and other private mining and financial groups. His previous experience includes 10 years in underground mining and exploration operations, including work at the Kalgoorlie Golden Mile and geologist in charge of Hargraves Resources NL. He was also associate director of Eyres Reed/CIBC Wood Gundy (1996-98) and director of CIBC World Markets (1998-00). Tony Lethlean is well known in mining circles and, through his financial contacts and his underground geological knowledge, brings a vast depth of experience and knowledge to Goldsearch. His principal role is to investigate joint venture and investment opportunities for Goldsearch.

EXPLORATION ACTIVITIES

Musgrave Block project

INDEPENDENCE GOLD NL EARNING 51% OF THE COMPANY'S EQUITY INTEREST

South Australia

Following completion of an aboriginal heritage survey late in the March 2003 quarter, reconnaissance geochemical sampling commenced over targeted portions of EL 2910 (DeRose Hill) in April. The survey area was designed to cover previous widespread elevated -80# (-200 micron) nickel, cobalt and copper soil results identified by previous company exploration in the early 1970's. No systematic follow up of these previous results was ever undertaken. The wide-spaced survey grid ranging from 500m by 500m to 2km by 500m was also positioned to test a number of magnetic targets identified in reprocessed aeromagnetic data as possibly associated with mafic/ultramafic intrusives.

Based on previous orientation work completed in the December 2002 quarter an Independence Gold proprietary sampling technique was developed which is believed to provide an optimum sample for both base and precious metals in this geochemically challenging environment of high aeolian sand input.

The logistically simple technique involved the collection of two samples from each of the 267 sample sites consisting of a very fine fraction soil sample and an iron-rich concentrate. Samples were assayed for a suite of base and precious metals including pathfinder elements using digestion techniques determined during orientation as being most sensitive to target elements. The high degree of sensitivity enables effective coverage even during wide-spaced reconnaissance and first-pass surveys.

This combination of sampling techniques and analysis is thought to provide optimum geochemical coverage for not only nickel sulphide targets but also targets based on meso/epithermal gold deposits, Broken Hill Type lead, zinc and other stratabound basemetal deposit models.

Results from the sampling identified four areas targeted for infill geochemical sampling. Normalisation of iron-rich concentrate assay results for nickel, copper, cobalt against iron and cobalt also against magnesium has defined subdued but coherent anomalies. These areas are also supported in many cases by anomalism in the -75 micron fraction.

Based on these results an infill sampling program of 113 sample sites was scheduled and completed during early July. Further sampling may be necessary during the September quarter if justified. If results from infill geochemistry are positive, low level airborne or ground electro-magnetic (EM) and induced polarisation (IP) surveys will be used to delineate drill targets.

Northern Territory

During the June 2003 quarter first pass regional geochemical sampling on a 2km x 500m or 4km x 500m grid was completed over target bedrock geology within ELs 5702, 9443 and 9407. The same sampling techniques as employed in South Australia have been applied to this area. A total of 592 samples from 296 sites were collected. Results are expected by the end of July.

Contingent infill geochemical sampling based on results from the recently completed survey is scheduled for the September 2003 quarter.

The Company is expecting exploration licences to be granted shortly for ELAs 5701 and 5703. These areas are regarded as being highly prospective for silver, copper and gold. Early work by mining company and Government geologists in the 1970's returned encouraging rock chip sample results as high as 175 ounces per ton of silver and 19% copper. A reconnaissance visit to these most prospective areas and further contingent infill geochemical sampling is scheduled for the December 2003 quarter.

Duck Creek - Cloncurry - Queensland

EPMs 13273 and 13336 (95%)

A new application was lodged during the quarter covering an increased area to replace EPM 13273. The new application covers an area of approximately 20 square kilometres and was submitted following a visit to the area and assessment by the Company's consultant geologist.

Musgrave Block - Pitjantjatjara Lands - South Australia

ELAs 198/96, 260/96, 262/96 (50%) and ELAs 336-343/96, 534/96, 35/99 (100%)

The Company is awaiting permission from the Minister for Primary Industries and Resources to negotiate with Anangu Pitjantjatjara for permission to carry out exploration.

Gawler Craton - Hawks Nest – South Australia

EL 2899 (100%)

EL 2899, which covers an area of 324 square kilometres, is located in the northern sector of the Gawler Craton in South Australia, approximately 100 kilometres north-west of Coober Pedy. The area contains a regional magnetic anomaly and targets defined by previous calcrete sampling and is considered prospective for iron oxide-copper-gold mineralisation similar to Olympic Dam and Broken Hill type silver-lead-zinc mineralisation.

During the quarter, personnel from Phelps Dodge Australasia Inc. (PDA) our joint venture partner continued to negotiate with the traditional owners of the western portion of the tenement not covered by previous negotiations with a different aboriginal group. A drilling program is expected to commence in October as soon as the final tangential electro magnetic (TEM) ground survey has been completed and analysed and negotiations with the traditional owners have been completed. Under the terms of the joint venture agreement, PDA can earn up to 70% equity in the tenement by contributing \$4,000,000 in exploration expenditure.

Musgrave Block - Northern Territory

EAST BLOODS RANGE AND PETERMANN JOINT VENTURE

ELA 9863 (100%), and ELAs 5701, 5703, 6847, 9740, 10315, 22687, 22688, 22689 and 22690 (up to 75%)

These tenements are located in the northern Musgrave Block and are considered prospective for base metals, silver and gold. Base metal occurrences (copper and lead) in quartz filled shear zones with some gold and silver were reported in ELA 5701 by the Bureau of Mineral Resources during a reconnaissance survey carried out during 1962. A sample from an undeformed quartz vein collected recently by the Northern Territory Department of Business, Industry and Resource Development from within ELA 5701 has reported anomalous silver (89 gms/tonne), lead (2.1%), copper (1.9%) and gold (101 ppb). Elevated chromium (550 ppm) and nickel (1,000 ppm) have been reported from a sample of laterised peridotite collected to the south of the ELAs.

ELs 9741, 22710 and ELAs 9740, 6847, 9863, 9636, 10315, 22687-88-89-90, were returned by Independence Gold to the Goldsearch/ Allender, Hosking, LeBrun partnership last quarter. The Company is continuing to review the geophysical interpretations on these areas with a view to offering the areas for joint venture.

Moruya Gold Mines - New South Wales

EL 6027 (100%)

Negotiations with the local traditional owners are continuing with the expectation that the Company's consultant geologist will be able to put forward a work program for the two main areas of interest in the December quarter. In discussion with local traditional community members we have become aware of other areas of potential interest which may lead to an expansion of our interest in the area.

Windeyer - New South Wales

EL 6094 (formerly ELA 2026)

Subsequent to 30 June ELA 2026 has been approved and the Company is now reviewing the area with a view to undertaking a ground survey during the September quarter.

St Arnaud - Victoria

ELA 4669 (100%)

Once this application has been granted and agreements have been finalised with the local traditional owners the Company intends to almost immediately commence an exploratory drill program on identified targets.

OTHER ACTIVITIES

Joint venture opportunities

Mr Tony Lethlean, the Company's recently appointed technical /corporate consultant, has been actively evaluating joint venture opportunities on a number of prospective exploration targets. These include some large operations which would mean the Company would be involved as a partner in a much more significant endeavour than it could manage on its own.

Investments

Independence Gold NL

In recent months the Company has made an investment in Independence Gold NL of 200,000 ordinary shares and 500,000 options purchased on-market at a total cost of \$155,600.

Capix

Goldsearch retains a 14.8% minority interest in Melbourne based IT software company Capix. The managing director of Capix is planning a trip to Europe and Asia during this coming quarter to advance and secure relationships established over recent months for their proprietary software products, CAPIX Treasury Centre (CTC) and CAPIX Investment Manager (CIM). The company has reported increased interest in its products and believes the development of overseas markets, including New Zealand will prove beneficial. Interested shareholders may wish to visit the Capix website at www.capix.com.au.

Statement

Technical information relating to Goldsearch Limited exploration projects in this report was prepared by Mr David Hawley, Grad Dip Env Sc, B.Geo Sc (Hons), MAusIMM, AIG and accurately reflects the information compiled by him. Mr Hawley has over five years ore reserve estimation experience and complies with the JORC code for ASX reporting of company reserves and resource estimates.

Information relating to Independence Gold Limited joint venture activities in this report was prepared by Heath Hellewell, chief exploration geologist of Independence Gold NL and accurately reflects the information compiled by him.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

Goldsearch Limited

ABN or ARBN

73 006 645 754

Quarter ended ("current quarter")

30 June 2003

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 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	(63)	(301)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(49)	(436)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	6	22
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net operating cash flows		(106)	(715)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(45)	(49)
	(c) other fixed assets	-	(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		(45)	(50)
1.13	Total operating and investing cash flows (carried forward)	(151)	(765)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(151)	(765)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,460	1,460
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 issues expense	(141)	(141)
	Net financing cash flows	1,319	1,319
	Net increase (decrease) in cash held	1,168	554
1.20	Cash at beginning of quarter/year to date	177	791
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,345	1,345

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	69
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	37,379
- Directors' superannuation	2,759
- Legal fees paid to Landerer & Company (J Landerer)	26,137
- Underwriting fees paid to associates of Messrs J Landerer and R B Leece	2,920

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	Nil	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
Total	150

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	1,304	142
5.2 Deposits at call	41	35
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,345	177

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	EL 2953	Exploration licence over 240 sq kms at Mount Ogilvie, SA	100%	0%
6.2 Interests in mining tenements acquired or increased	EPMA 14088	Exploration licence application over 20sq kms at Cloncurry South, Qld. to replace EPM 13273	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 <i>(description)</i>	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	145,967,479	145,967,479	N/A	N/A
7.4 Changes during quarter				
(a) Increases through issues	Nil	Nil	N/A	N/A
(b) Decreases through returns of capital, buy-backs	Nil	N/A	N/A	N/A
7.5 +Convertible debt securities <i>(description)</i>	Nil	N/A	N/A	N/A
7.6 Changes during quarter				
(a) Increases through issues	Nil	N/A	N/A	N/A
(b) Decreases through securities matured, converted	Nil	N/A	N/A	N/A
7.7 Options <i>(description and conversion factor)</i>	12,000,000	Nil	<i>Exercise price</i> 15 cents	<i>Expiry date</i> 15/07/04
7.8 Issued during quarter	Nil	N/A		
7.9 Exercised during quarter				
7.10 Expired during quarter	Nil	N/A	N/A	N/A
7.11 Debentures <i>(totals only)</i>	Nil	N/A		
7.12 Unsecured notes <i>(totals only)</i>	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: 30 July 2003

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.

+ See chapter 19 for defined terms.