

**09 March, 2004**

**Re: Hawks Nest joint venture – report from Red Metal Limited**

Enclosed for release to the market is a copy of a report from Red Metal Limited on the results of the recent exploration program on EL 2899 Hawks Nest in the Gawler Craton region of South Australia.

Red Metal Limited is the Company's joint venture partner and is manager of the Hawks Nest project.

For and on behalf of the directors of  
Goldsearch Limited

P S Hewson  
Secretary

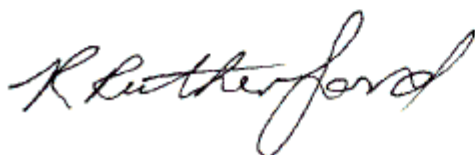
Goldsearch Limited  
John Percival  
Managing Director  
20 Loftus St  
Sydney 2000

## Exploration Update 9 March 2004

### *Hawks Nest Joint Venture (Red Metal right to earn 21%)*

Drilling has been completed at Hawks Nest project testing two significant geophysical targets. The first precollared diamond drill hole testing a combined gravity/conductivity anomaly located within a fold closure intersected dense rocks comprising banded hematite-magnetite gneiss typical of a highly metamorphosed banded iron formation. The hole was terminated at 361.1 metres. A second hole, targeting a combined gravity/magnetic/conductivity anomaly intersected strongly conductive graphite and pyrrhotite-bearing gneissic metasediments before passing into dense magnetic rocks comprising banded quartz-magnetite gneiss also typical of a highly metamorphosed banded iron formation. The hole was terminated at 486.4 metres. No significant mineralisation was encountered. Red Metal and PDAI are currently reviewing other possible drill targets and re-considering their future involvement in the joint venture.

Rob Rutherford



Managing Director  
Red Metal Limited