

12 October, 2004

Re: Musgrave joint venture - Update on geochemical sampling

Independence Group NL as manager of our Musgrave Joint Venture has advised that encouraging results have been received from the recent wide-spaced reconnaissance geochemical sampling program over targeted portions of EL5701 and EL5703 in the Northern Territory.

Laboratory results have now been received for a total of 1,464 samples that were collected from 732 separate sample sites on a grid spacing ranging from 1km x 0.5km to 4km x 0.5km. The survey covered an area of approximately 1,000km² over the prospective late Proterozoic rift sequence of bimodal volcanics, sediments and granitic intrusions.

The sampling consisted of a fine -75 micron soil sample and ironstone concentrate sample from each sample site and were analysed for a range of elements.

A number of encouraging trends of low level gold (Au) anomalism ranging from 6ppb up to 15ppb gold (background <2ppb gold) in iron stone samples have been identified up to 8km in length. These trends are in several cases in part coincident with a number of other elevated elements in both ironstone and fine fraction soil sampling.

Despite being relatively low level the wide spread gold anomalism is encouraging given the considerable wind blown aeolian sand component of the regolith in this region.

It is anticipated that follow-up infill sampling will commence during the December 2004 quarter.

A copy of an image of gold Geochemistry in Iron Stone Sampling provided by Independence is attached

For and on behalf of the directors of Goldsearch Limited

P S Hewson Secretary

Image of Au Geochemistry in Iron Stone Sampling

