

30 June, 2004

Re: Exploration update - Musgrave Block joint venture

The directors of Goldsearch Limited are pleased to provide the following update on exploration activities under the joint venture with Independence Group NL. The update is based on information provided by Mr Heath Hellewell, Chief Exploration Geologist of Independence Group NL who has reviewed and approved this announcement.

Musgrave Block joint venture project with Independence Group

Based on the encouraging results received from the recent reconnaissance rock chip sampling program in the Northern Territory, a large regional soil sampling program covering over 1,400 square kilometres commenced on 22 June. The program consists of 760 geochemical samples collected from within EL 5701 and EL 5703 and is planned to test an extensive area of mafic and felsic volcanic rocks of the middle to lower Tjauwata Group. These rocks are interpreted as a Meso Proterozoic rift sequence and are intruded by a number of potential high-level granitic plutons. Conceptually this geological setting is considered prospective for a number of styles of precious and base metal mineralisation.

In South Australia, a recently completed ground EM geophysical survey, designed to cover an area of anomalous geochemical results for various nickel suite elements, highlighted a series of potential conductive bedrock features. These conductors will be drill tested as soon as a suitable drill rig can be sourced, to determine if they are potentially associated with nickel-bearing sulphide mineralisation.

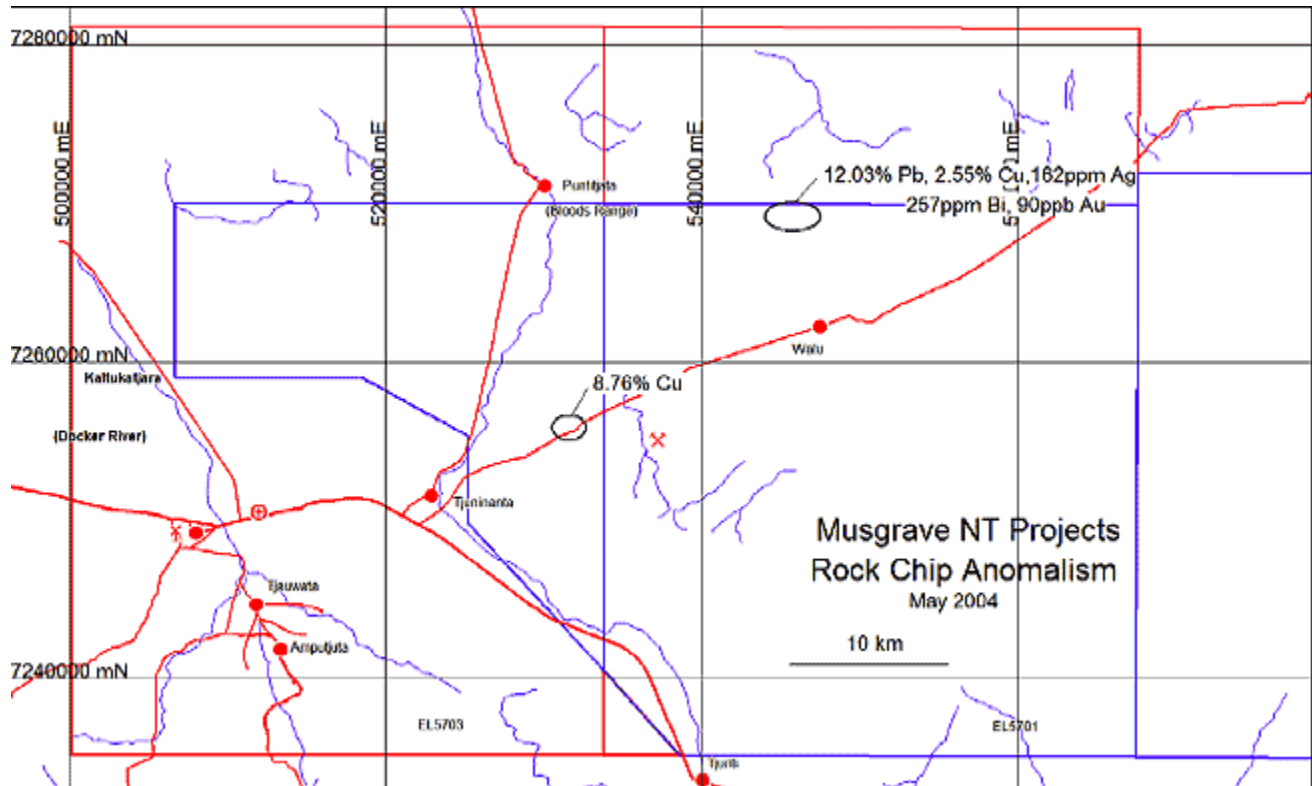
Northern Territory (EL 5701 & EL 5703)

After being delayed by heavy rains, planned exploration programs commenced in the Northern Territory in late March with a preliminary reconnaissance geological visit to the area. During this program a number of key areas were visited and rock chips taken to assist with the planning of the forward work program.

Encouraging lead, copper, silver and bismuth anomalism from rock chip geochemistry has highlighted the potential for base and precious metal mineralisation in mafic and felsic volcanic and volcanoclastic rocks of the Tjauwata Group (Meso Proterozoic).

Sampling (14 rock chip samples) close to the northern margin of EL 5701 returned up to 12.03% lead in east-west trending quartz veining. Other samples from the same general area included values of 1.85%, 1.49% and 1.41% lead. In association with lead, copper returned a maximum value of 2.55%, silver to 162ppm and bismuth to 257ppm. Gold was slightly elevated with a maximum value of 90ppb. Sampling (7 rock chip samples) in the eastern portion of EL 5703 also returned up to 8.76% copper in altered phyllite. Rock chip locations are shown in Figure 1.

Figure 1



Musgrave Northern Territory project - Area of rock chip anomalism

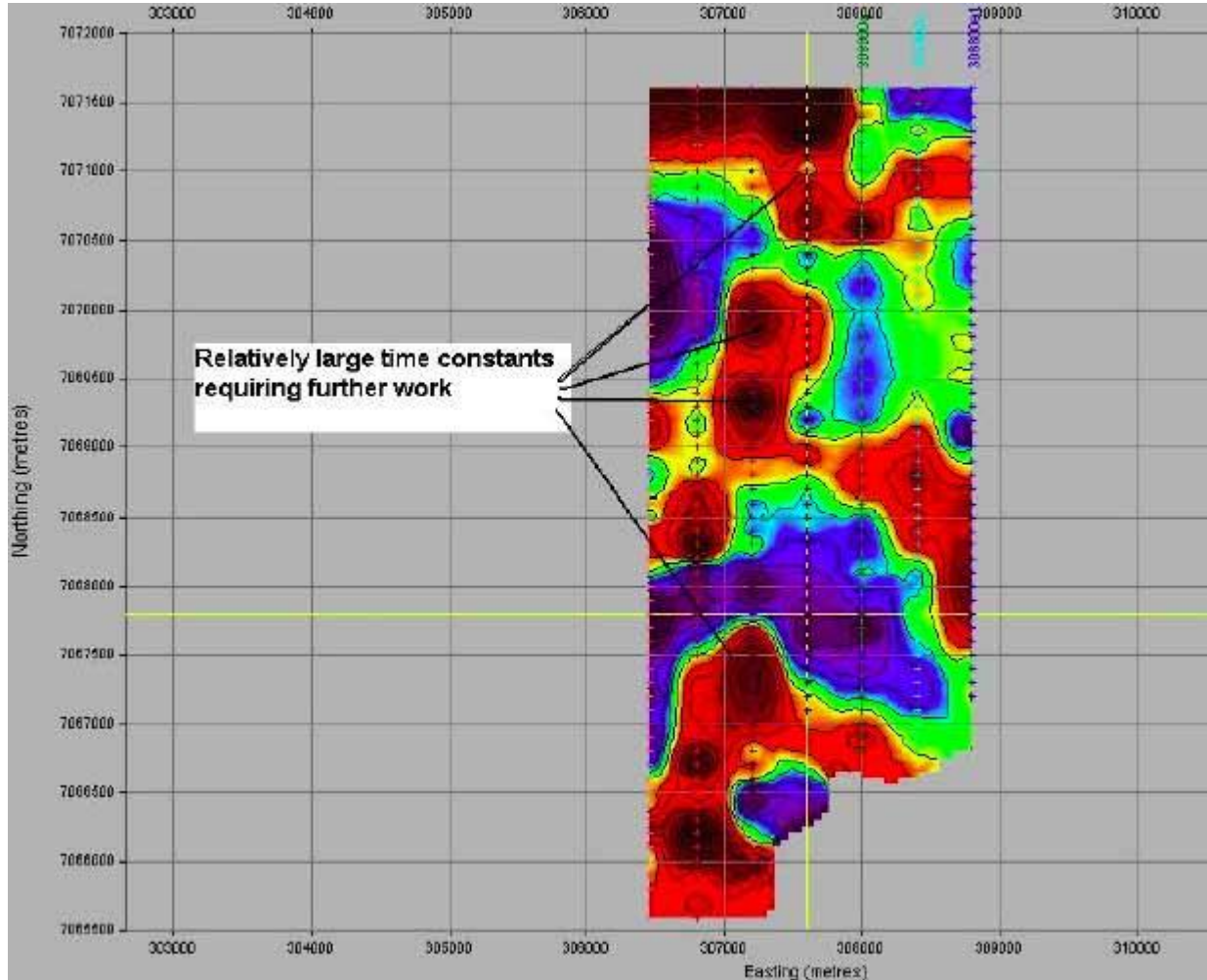
Infill geochemical sampling was completed over two targets within EL 9407 where previous wide-spaced geochemistry returned elevated base metal values. Similar weakly anomalous, elevated base metal values were returned by the recent sampling. Results are currently being interpreted and a geological assessment of the area will be undertaken before any forward work programs are planned.

South Australia (EL 2910)

Following further geochemical sampling at De Rose Hill (EL 2910) a third area of elevated nickel, cobalt and copper geochemistry was targeted with ground EM geophysics. This survey returned encouraging results with a number of late-time signatures interpreted to potentially be associated with conductive bedrock features (Figure 2). Further ground EM geophysics is

required to better define this target prior to drilling. It is proposed to drill-test this and a previously defined geophysical/ geochemical target as soon as a suitable drill rig can be sourced and mobilised to the area.

Figure 2



De Rose Hill (EL 2910) TEM Survey May 2004 - Channel 12

For and on behalf of the directors of
Goldsearch Limited

P S Hewson
Secretary