

gsh/psh/gsh641

27 January 2006

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

Via ASX Online

Number of pages – 8

Dear Sir,

Re: Proposed underwritten non-renounceable entitlement issue

The directors of Goldsearch Limited advise that they have resolved to proceed with a capital raising to provide additional working capital for the Company, primarily to fund the exploration and development of the Pinut-an gold project in the Philippines.

It is proposed to offer shareholders a non-renounceable entitlement to subscribe for one (1) new share and one (1) new option, at an issue price of three cents (\$0.03) per share and option package, for each two (2) ordinary shares held at the record date, which is currently scheduled to be 20 February 2006. The offer will involve the issue of 91,604,674 new shares and options to raise \$2,748,000 before issue expenses.

Each new option will entitle the holder to subscribe for one (1) additional share in the Company at an issue price of five cents (\$0.05) per share at any time from the date of issue until expiry of the options on 31 October 2007.

The issue will be fully underwritten by Forty Traders Limited, a New Zealand company linked to one of the Company's major shareholders.

A prospectus for the issue is in the course of preparation. It is currently proposed to lodge the prospectus with ASIC on 10 February 2006.

A preliminary Appendix 3B is attached.

For and on behalf of the directors of
Goldsearch Limited



P S Hewson
Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Goldsearch Limited

ABN

73 006 645 754

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Ordinary fully paid shares with attached options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 91,604,674 shares
and
91,604,674 options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Shares are to be fully paid ordinary shares

Options are to be exercisable at 5 cents per share at any time until their expiry on 31 October 2007 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Shares will rank equally with existing quoted ordinary shares ASX code GSE</p> <p>The options to be issued will be a new class of quoted security. Shares issued on exercise of the new options will, from the date of their issue, rank equally with the then existing fully paid ordinary shares</p>						
<p>5 Issue price or consideration</p>	<p>3 cents per share and option package</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To provide additional working capital primarily to finance the exploration and development of the Pinut-an gold project in the Philippines.</p>						
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>currently scheduled for Tuesday 21 March 2006 (to be confirmed after release of prospectus)</p>						
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="699 1444 995 1480">Number</th> <th data-bbox="995 1444 1289 1480">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 1480 995 1541">274,814,022</td> <td data-bbox="995 1480 1289 1541">Ordinary shares</td> </tr> <tr> <td data-bbox="699 1541 995 1693">91,604,674</td> <td data-bbox="995 1541 1289 1693">Options expiring 31 October 2007</td> </tr> </tbody> </table>	Number	⁺ Class	274,814,022	Ordinary shares	91,604,674	Options expiring 31 October 2007
Number	⁺ Class						
274,814,022	Ordinary shares						
91,604,674	Options expiring 31 October 2007						

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Nil
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	One (1) new share and one (1) new option for each two (2) shares held at the record date
14	+Class of +securities to which the offer relates	Ordinary shares
15	+Record date to determine entitlements	Monday 21 February 2006 (to be confirmed after release of prospectus)
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	Fractions to be ignored
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries except Australia and New Zealand (viz Hong Kong, Singapore, Germany, USA, Canada, Malaysia,, Switzerland, Channel Islands, Japan, Netherlands, Seychelles, Taiwan Province of China and Vietnam)
19	Closing date for receipt of acceptances or renunciations	5pm AEST Monday 13 March 2006 (to be confirmed after release of prospectus)

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	Forty Traders Limited (New Zealand)
21	Amount of any underwriting fee or commission	6% or \$164,880
22	Names of any brokers to the issue	-
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Nil
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Currently scheduled for Friday 24 February 2006 (to be confirmed after lodgement of prospectus)
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 ⁺Despatch date Currently scheduled for Tuesday 21 March 2006 (to be confirmed after release of prospectus)

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities – (required information to be provided after allotment)

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b) - (not applicable)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


(Company secretary)

Date: 27 January 2006

Print name: Paul S Hewson

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+ See chapter 19 for defined terms.