

gsh/psh/gsh694

15 March 2007

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

Via ASX Online

Number of pages – 4

Dear Sir,

Re: Exploration update

Enclosed for release to the market is an update on the Company's scheduled exploration programs over the next few months.

For and on behalf of the directors of
Goldsearch Limited



P S Hewson
Secretary

15 March 2007

Update on forthcoming exploration activities

Following is an update on the scheduled exploration activities over key Goldsearch Limited project areas during the coming months.

- **March** - Drilling scheduled at Sandy Creek. Surface exploration activities scheduled to commence at Mount Wellington and Mary Kathleen.
- **April** - Drilling scheduled to commence at Mount Wellington.
- **May** - Drilling scheduled to commence at Mary Kathleen.



Queensland - Mary Kathleen (uranium, rare earth elements, copper, gold)

Restricted access due to extremely wet weather in February associated with tropical cyclone *Nelson* has delayed exploration programs at the Mary Kathleen project. It is anticipated that field programs will now recommence in late March with a view to further defining drill targets.

Subject to relevant approvals, drilling programs are now currently scheduled to commence in May. A second program is also currently being scheduled for July. The forthcoming programs will include surface geophysical and scintillometer sampling and will focus on both the Elaine Dorothy and MacGregor target areas, as well as a number of new regional targets.

At Elaine Dorothy, work will follow up previously announced encouraging drill results of up to 0.047% uranium oxide (U₃O₈) and 1.07% rare earth oxides and will also extend to the Elaine 2 and Elaine 3 targets. At the Elaine 2 and Elaine 3 targets, minor occurrences of outcropping uranium mineralisation have previously been recognised with no previous drilling being undertaken. These targets are located approximately 500 metres and 1 kilometre from Elaine Dorothy and 7 kilometres from the Mary Kathleen Uranium mine (**Figure Two**).

At MacGregor, programs will follow up wide zones of elevated uranium mineralisation intercepted in previous drilling and an area of outcropping copper mineralisation not previously drill tested.

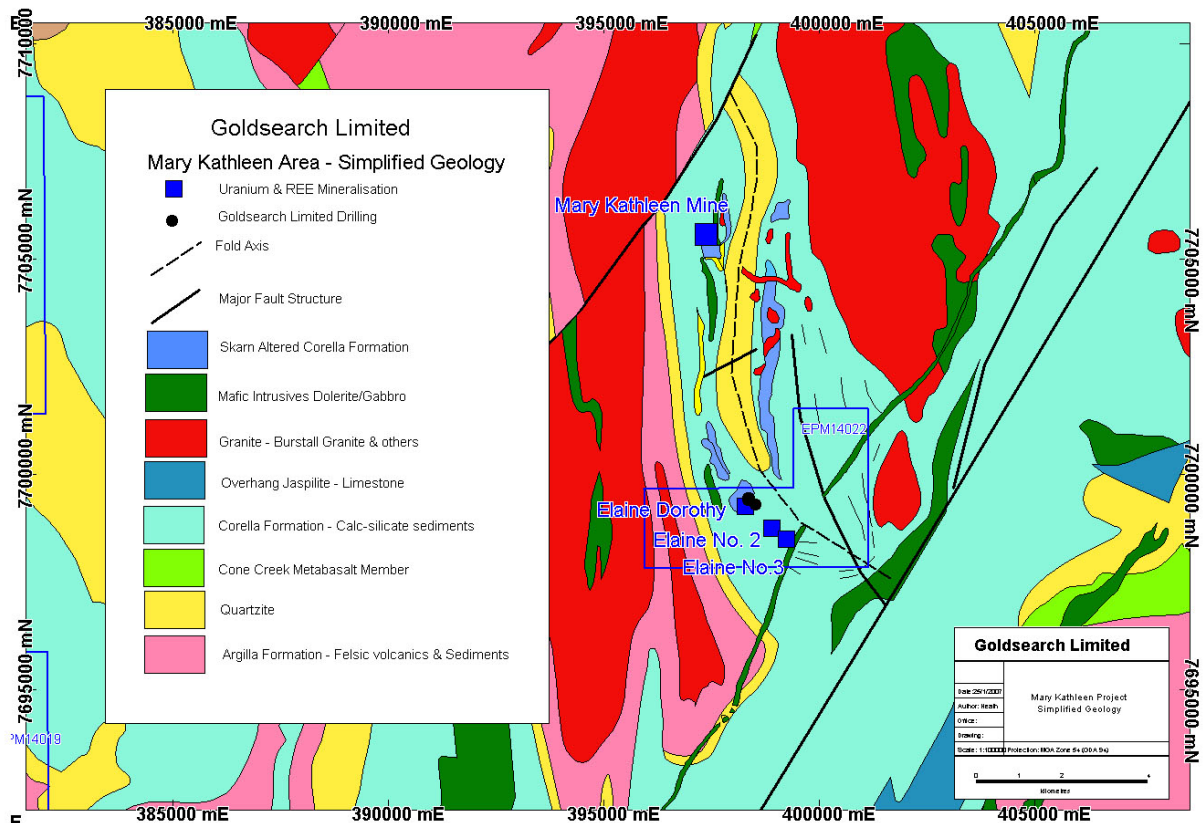


Figure Two - Elaine Dorothy target area - Regional Geology.

Queensland – Duck Creek (copper, gold)

In February 2007, Goldsearch Limited entered into a joint venture agreement with North Queensland Mines Pty Ltd (NQMPL) over the Duck Creek Project. NQMPL is in the process of an IPO and application for ASX listing. Under the terms of the agreement, NQMPL can earn a 70% interest in EPM13336 and a 75% interest in application for EPM15718, leaving Goldsearch with a residual interest of 25% in both tenements. The remaining 5% interest in EPM13336 is held by a private syndicate.

The principal terms of the joint venture are as follows;

- NQMPL will issue 1,000,000 ordinary shares and 2,000,000 options to Goldsearch.
- To earn its interest in the tenements, NQMPL must spend \$100,000 on exploration prior to May 2007 and an additional \$650,000 before May 2008. Once NQMPL has met its expenditure obligations, both parties will contribute pro-rata to ongoing exploration and any subsequent development.

Victoria - Sandy Creek (gold)

A reverse circulation and diamond drilling program, consisting of 4 holes to between 100 to 150 metres, is planned to test the depth potential of high grade gold mineralisation previously mined from the Odell's Mine at Sandy Creek. The program is scheduled to commence in late March. The program was originally planned for the previous quarter but work was delayed over the summer months due to the extreme bush fire conditions in Victoria.

Recent selective small-scale mining of Odell's by previous tenement owners is reported to have produced 400 tonnes of ore grading 300 grams per tonne gold. The mineralisation occurs in sheared and hydrothermally altered pegmatites. The pegmatites are intruded into Early Ordovician age metasediments of the Omeo Metamorphics. In the Sandy Creek area the metasediments are interpreted to represent a preserved roof pendant of older rocks within the younger regionally significant Silurian age granitic rocks of the Yabba adamellite.

Victoria - Mount Wellington (gold, silver, copper, lead, zinc)

Final work program approvals are being acquired for initial exploration programs at the Mount Wellington project. Once all the relevant approvals are in place, it is anticipated that an induced polarisation geophysical survey will commence over two target areas at Rhyolite Hill. The targets are based on mapped hydrothermal alteration systems, geochemical anomalies and encouraging drilling results from previous explorers, including best intercepts of 13.5 metres at 1.01 grams per tonne gold (from 5.1 metres) and 32.5 metres at 45 grams per tonne silver (from 69.5 metres). Peak assay values from previous drilling within the target area is 8.38 grams per tonne gold, 0.56% copper, 0.31% lead, 1.6% zinc and 147 grams per tonne silver.

Follow up drilling to test geophysical targets is currently scheduled to be completed in April.

South Australia - East Musgrave Joint Venture (nickel)

The joint venture partners currently have approval from the Anangu Pinjatantjara Yankunytjatjara, Executive Council to negotiate with the relevant traditional owners in relation to four priority exploration licence applications. These negotiations are ongoing.

A preliminary planning meeting, attended by representatives of Independence Group NL, BHP Billiton Limited and Goldsearch Limited was recently held. The aim of this meeting was to discuss proposed nickel sulphide exploration targets, programs and strategies for the joint venture.

Heath Hellewell
Exploration Manager
Goldsearch Limited

15 March 2007