

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your stockbroker or other professional adviser without delay.

Goldsearch Limited

ABN 73 006 645 754

PROSPECTUS

**for a one for four non-renounceable bonus issue
of approximately 91,804,674 Options
exercisable at 10 cents each on or before
31 October 2009**

**AS A SHAREHOLDER YOU DO NOT NEED TO TAKE ANY
ACTION IN RELATION TO THIS PROSPECTUS**

**The Options will be automatically issued to you based on your entitlements on the
Record Date 17 June 2008**

IMPORTANT NOTE TO INVESTORS

Goldsearch Limited is the holder of mining tenements and rights to acquire interests in mining tenements none of which are presently in production and to this extent the securities offered under this Prospectus are of a speculative nature.

TABLE OF CONTENTS

<u>Section</u>	<u>Page No.</u>
1. CHAIRMAN'S LETTER	2
2. DETAILS OF THE ISSUE	3
3. EFFECT OF THE ISSUE ON THE COMPANY	6
4. RISK FACTORS	9
5. ADDITIONAL INFORMATION	10
6. AUTHORISATION	17
7. GLOSSARY	18
8. CORPORATE DIRECTORY	19

SUMMARY OF IMPORTANT DATES

Lodgement of Prospectus with ASIC	2 June 2008
Expected date for Options to be quoted by ASX on a deferred settlement basis	11 June 2008
Record Date to determine Entitlements (7.00pm Sydney time)	17 June 2008
Expected date of despatch of Prospectus / Statements for Options despatched and deferred settlement trading ends	24 June 2008

Subject to the requirements of the Corporations Act and the Listing Rules, the Company reserves the right at any time to change the timetable set out above.

This Prospectus is dated 2 June 2008. A copy of this Prospectus has been lodged with ASIC on 2 June 2008. Neither ASIC nor ASX take responsibility for the contents of this Prospectus. No securities will be issued on the basis of this Prospectus after the expiry date which is 13 months after the date of this Prospectus.

2 June 2008

Dear Shareholder,

Loyalty bonus for Shareholders

On behalf of the Directors, I am pleased to announce that the Company intends to make a bonus issue of approximately 91,804,674 Options to Shareholders.

The Options will be issued to Shareholders as a means of rewarding Shareholders for their support, and to mark the commencement of the Company's maiden exploration program at the East Musgrave Block with joint venture partners Independence Group NL and BHP Billiton Minerals Pty Limited. The commencement of the exploration program occurs approximately 12 years after the Company lodged its initial mineral tenement applications over the East Musgrave Block.

This Prospectus sets out the details of the bonus issue of Options. The Issue is made by way of a one for four non-renounceable bonus issue to Shareholders as at 17 June 2008.

No funds will be raised from the Issue itself. The bonus issue of Options allows Shareholders to support the growth of the Company and participate in a manner that is anti-dilutionary to their individual shareholdings. Secondly, the Issue will enable the Company to raise up to approximately \$9,180,500 during the life of the Options, in the event that 91,804,674 Options are issued and all of them are exercised at a price of 10 cents each.

Any funds raised from the exercise of any of the Options will be used by the Company to fund its existing joint venture expenditure commitments, to further develop its existing mineral tenements and to meet other ongoing working capital requirements of the Company.

I recommend that you read the Prospectus thoroughly for further details.

On behalf of the Directors, I would like to thank all Shareholders for their ongoing loyalty and support.

Yours sincerely,



JOHN LANDERER CBE AM
Chairman

2 DETAILS OF THE ISSUE

2.1 The Issue

Persons who are registered as holders of Existing Shares at the Record Date and whose registered address is in Australia or New Zealand will be issued Options for free, on the basis of being issued one Option for every four Shares held at the Record Date.

Each Option will entitle the holder to subscribe for one Share at an exercise price of 10 cents each on or before 5.00 pm Sydney time on 31 October 2009.

As there are 367,218,696 Existing Shares on issue at the date of this Prospectus, approximately 91,804,674 Options will be issued pursuant to this Prospectus if no Existing Unquoted Options are exercised prior to the Record Date.

Fractional entitlements to Options will be rounded down to the nearest whole Option. The number of Options to be issued to you will be set out in a holding statement that will be despatched to you no later than 30 June 2008.

2.2 Purpose of the Issue

The purpose of the bonus issue of Options is to reward the Company's Shareholders for their continued support of the Company and to enable the Company to raise funds in the event any of the Options are exercised. Any funds raised from the exercise of the Options will provide additional working capital for the Company to be used by the Company to fund its existing joint venture expenditure commitments, further develop its existing mineral tenements and meet other ongoing working capital requirements of the Company.

No funds will be raised from the Issue itself.

If all of the Options to be issued pursuant to this Prospectus are exercised, the Company will raise, before the costs of the Issue, additional funds of \$9,180,467.40, (based on a total of 91,804,674 Options being issued pursuant to this Prospectus).

2.3 Eligible Shareholders

The Company is of the view that it is unreasonable to make an offer to issue Options to Non-Participating Foreign Shareholders having regard to:

- (a) the number of Non-Participating Foreign Shareholders to whom offers to issue Options would otherwise be made;
- (b) the number and value of Options that would otherwise be offered for issue to Non-Participating Foreign Shareholders; and
- (c) the cost of complying with the laws, and any requirements of any regulatory authority, of the places where the Options would otherwise be offered for issue.

Therefore, this Prospectus is only being sent to Shareholders with registered addresses in Australia or New Zealand. This Prospectus does not constitute an offer to issue Options in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus has not been, and will not be, registered under the securities laws of any other foreign country or jurisdiction. Accordingly, the offer to issue Options is not being made to, and no Options will be issued to, or may be acquired directly or indirectly by or for the benefit of, any Shareholder whose registered address is outside Australia and New Zealand. **The offer to issue**

Options is only being made to Shareholders with registered addresses in Australia or New Zealand.

Shareholders with a registered address in Australia or New Zealand holding Existing Shares on behalf of persons who are not resident in Australia or New Zealand are responsible for ensuring that taking up the Options under this Prospectus does not breach regulations in the relevant overseas jurisdictions.

2.4 Action required by Shareholders

You do not need to take any action to receive your Entitlement.

This Prospectus is issued without the requirement for an application form under an exemption provided by ASIC Class Order CO 00/1092.

2.5 Allotment of the Options

The Options will be allotted and holding statements will be despatched on or as soon as possible after 24 June 2008 and, in any event, by not later than 30 June 2008.

2.6 Non-renounceable nature

The rights to the Options are non-renounceable. Accordingly you may not transfer those rights, either through trading on the market conducted by ASX or otherwise.

2.7 ASX quotation

Application has been made for the Options to be granted quotation by ASX.

If official quotation of the Options is not granted by ASX within three months after the date of this Prospectus (or such longer period as may be permitted by ASIC), the Options will remain on issue and will be transferable, but will not be able to be traded on the market conducted by ASX.

2.8 Taxation implications

A general overview of the Australian income tax implications of being issued Options under this Prospectus for Australian resident Shareholders who hold shares on capital account is set out below.

This overview does not consider the Australian income taxation implications for Shareholders who:

- (a) are not residents of Australia for tax purposes;
- (b) are exempt from income tax in Australia;
- (c) are in the business of trading or dealing in shares or options; or
- (d) invest in shares or options as an ordinary part of their business (eg. banks or insurance companies).

The Australian income tax implications may be summarised as follows:

- (a) the provision of the Options should not of itself amount to the receipt of a dividend or a deemed dividend by the Shareholders. The issue of the Options should not represent a dividend substitution arrangement. If the Australian Taxation Office was to form a view

that such an arrangement existed, the Options would be deemed to be an unfranked dividend;

- (b) for capital gains tax purposes, the Shareholders will be deemed to have acquired the Options when they originally acquired the Shares to which the Options relate;
- (c) where the Options are disposed of prior to exercise by a Shareholder, the Shareholder will be subject to capital gains tax on the full amount of the disposal proceeds received. The Options will have no cost base for capital gains tax purposes as no consideration was provided for the issue of the Options; and
- (d) where Options are exercised by a shareholder, the new Shares will be taken to have been acquired at the time the Options are exercised. The capital gains tax cost base of the new Shares acquired for the purposes of any future disposal of the shares will be equal to the exercise price of the Options (that is 10 cents per share).

The above overview is general in nature and subject to change. It is important to note that the taxation law is complex. The ultimate interpretation of the taxation law rests with the Courts, and the law, and the way the Australian Taxation Office administers the law, may change over time. As a formal class ruling in relation to the income tax treatment to Shareholders has not been obtained, there is no guarantee that a different, and potentially less advantageous, income tax treatment may be considered to arise to the shareholders by the Australian Taxation Office or ultimately by the Courts.

The income taxation consequences for a Shareholder may differ from those outlined in the summary above, depending on the Shareholder's particular circumstances. Accordingly, Shareholders should not rely on this summary as a substitute for professional advice. Shareholders should obtain their own independent professional advice, in light of their own circumstances, in relation to the income taxation consequences associated with the proposed issue of Options to them.

2.9 Privacy Act

The Company collects, holds and will use your personal information to service your needs as a Shareholder, facilitate distribution of payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules issued by ASX Settlement and Transfer Corporation Pty Ltd.

2.10 Electronic Prospectus

This Prospectus may be viewed online at www.goldsearch.com.au.

Persons who access the electronic version of this Prospectus should ensure they download and read the entire Prospectus.

2.11 Enquiries

If you have any questions regarding your Entitlement, please contact the Company's share registry, Registries Limited on telephone number 1300 737 760 (if calling from within Australia) or +61 2 9290 9600 (if calling from outside Australia) or contact your stockbroker or professional adviser.

3 **EFFECT OF THE ISSUE ON THE COMPANY**

The Issue will not result in any additional Shares being issued (other than those Shares that are issued if any of the Options or Existing Unquoted Options are exercised).

There are 367,218,696 Shares on issue as at the date of this Prospectus.

There are 17,200,000 Existing Unquoted Options to acquire 17,200,000 Shares on issue as at the date of this Prospectus, as follows:

- 800,000 options exercisable at 7.5 cents each and expiring 30 June 2008.
- 400,000 options exercisable at 10 cents each and expiring 30 June 2009.
- 8,000,000 options exercisable at 5 cents each and expiring 31 January 2010.
- 8,000,000 options exercisable at 7.5 cents each and expiring 31 January 2010

The principal effects of the Issue will be to issue between 91,804,674 Options (if none of the Existing Unquoted Options are exercised prior to the Record Date) and 96,104,674 Options (if all of the Existing Unquoted Options are exercised prior to the Record Date). In addition to the first 91,804,674 Options to be issued under this Prospectus, one additional Option will be issued for every four Existing Unquoted Options exercised prior to the Record Date.

The Executive Options were issued under the Option Plan. One of the terms of issue of the Executive Options is that if the Company makes a bonus issue of Shares or other securities (which will include the Options) pro rata to Shareholders prior to allotting any shares in respect of an Executive Option, then in respect of each Executive Option the number of Shares over which the Executive Option is exercised will be increased by the number of securities which the holder of the Executive Option would have received if the Executive Option had been exercised before the record date for that bonus issue.

In considering what investors and their professional advisers would reasonably require and reasonably expect to find in this Prospectus for the purposes of making an informed assessment of the effect of the Issue on the Company, the Directors have provided pro-forma consolidated financial information in the following form summarising the effect of the proposed Issue:

3.1 Capital structure

Set out below is the effect of the Issue on the Company's issued capital.

The capital structure of the Company as at the date of this Prospectus is as follows:

Shares	Number
Ordinary fully paid	367,218,696
Share Options	
Existing Unquoted Options	17,200,000

The capital structure of the Company immediately post Issue (assuming none of the Existing Unquoted Options are exercised prior to the Record Date) is as follows:

Shares	Number
Ordinary fully paid	367,218,696
Share Options	
Options	91,804,674
Existing Unquoted Options	17,200,000*

*16,000,000 of the Existing Unquoted Options are Executive Options and therefore the number of Shares over which the 16,000,000 Executive Options are exercisable will be increased by the number of securities which the holders of the 16,000,000 Executive Options would have received if the Executive Options had been exercised before the Record Date.

The capital structure of the Company immediately post Issue (assuming all of the Existing Unquoted Options are exercised prior to the Record Date) is as follows:

Shares	Number
Ordinary fully paid	384,418,696
Share Options	
Options	96,104,674

3.2 Pro-forma statement of financial position

The following table sets out statements of financial position of the Company as at 30 June 2007 and 31 December 2007 and a pro-forma statement of financial position of the Company showing the effect on the statement of financial position of the Issue as at 31 December 2007 assuming:

- 91,804,674 Options are allotted and issued; and
- expenses of the Issue of \$60,000 (exclusive of GST) are written off against the profit and loss account.

The 30 June 2007 statement of financial position has been audited and has been extracted from the Company's 2007 annual report. Neither the 31 December 2007 nor the pro-forma statements of financial position have been audited, although the 31 December 2007 statement of financial position has been subject to an audit review.

Statement of Financial Position

	30/06/2007	31/12/2007	Pro-forma
	\$	\$	\$
CURRENT ASSETS			
Cash	917,633	4,268,820	4,208,820
Receivables	44,007	63,753	63,753
Other	38,279	24,783	24,783
TOTAL CURRENT ASSETS	999,919	4,357,356	4,297,356
NON CURRENT ASSETS			
Property, plant and equipment	22,850	17,756	17,756
Exploration and investment expenditure	1,682,251	1,790,686	1,790,686
Other financial assets	2,633,385	3,652,885	3,652,885
TOTAL NON CURRENT ASSETS	4,338,486	5,461,327	5,461,327
TOTAL ASSETS	5,338,405	9,818,683	9,758,683
CURRENT LIABILITIES			
Trade and other payables	157,663	71,035	71,035
Provisions	24,216	63,249	63,249
TOTAL CURRENT LIABILITIES	181,879	134,284	134,284
TOTAL LIABILITIES	181,879	134,284	134,284
NET ASSETS	5,156,526	9,684,399	9,624,399
EQUITY			
Issued capital	25,500,634	29,766,701	29,766,701
Reserves	1,839,246	2,777,819	2,777,819
Accumulated losses	(22,183,354)	(22,860,121)	(22,920,121)
TOTAL EQUITY	5,156,526	9,684,399	9,624,399

4 RISK FACTORS

4.1 Investment risks

Prospective investors should be aware that there are risks associated with any investment in company securities. The Company, by reason of its business activities, will be subject to specific risks and there are also external risk factors all of which may affect the value of an investment in the Company and the return from that investment. Factors which may affect the Company's financial position and prospects and the return to holders of Options and to holders of Shares issued as a result of the exercise of Options include but are not limited to those set out in Section 4.2 and Section 4.3 below.

4.2 General risks

Stock market risk. The value of the Options to be issued pursuant to this Prospectus will be determined by the stock market as a function of a range of factors beyond the control of the Company and the Directors, in addition to specific risk factors which may affect the financial position of the Company.

General economic factors. The Company's business can be affected by changes in economic factors including Australia's economic outlook, changes in government fiscal, monetary and regulatory policies and changes in interest rates, tax rates, exchange rates and inflation.

Commodity price risk. Metals which are the subject of the Company's exploration activities are largely sold into international markets at prices denominated in US dollars. Fluctuations in the international prices paid for commodities of the type in respect of which the Company carries out its exploration activities can impact on the Company's activities and the viability of exploitation of mineral reserves discovered and accordingly the Company's earnings from its exploration activities.

Weather and natural disasters. Floods, fires, cyclones, hazardous weather conditions and other natural disasters may result in the suspension of exploration activities or an increase in the expense of such activities.

Environmental regulation. Environmental regulations may curtail or prejudicially affect the extent and type of exploration methods used by the Company.

Currency. The Company's future revenue, if any, that it may derive from any overseas investment that it may become involved may be in one currency whilst its cost basis may be payable in a different currency.

The exchange rates between the various currencies are affected by numerous factors beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

Political risks. Changes in the general political climate and on a global basis, including domestic security and tenement licensing and permitting may affect the sales volumes and prices of products, operating costs, financial costs, the relative attractiveness of other types of investment and therefore the price of the Company's securities.

4.3 Industry factors

General commercial risks. The general commercial and economic risks faced by all businesses, including the risks of industrial disruption, litigation, interruption to the transport and supply of equipment and other events that may unforeseeably and unpredictably interrupt normal commercial activity.

Risks inherent in exploration. Exploration for mineral resources is highly speculative. There is no assurance that the Company's activities will result in the discovery of a resource of a grade and quantity which is feasible to extract. Whether or not income will ultimately result from exploration projects depends on various factors including anticipated mineralisation, consistency and reliability of ore grades and metallurgy. The successful establishment of mining operations depends on various factors including costs, engineering and plant performance, commodity prices, exchange rates, availability of skilled staff and availability and cost of infrastructure services.

Key staff. The Company has a small number of experienced staff and so the loss of key staff may have a significant impact on the operating capabilities of the Company.

5 ADDITIONAL INFORMATION

5.1 Regular reporting and disclosure obligations

The Company is a disclosing entity for the purposes of the Corporations Act and as such it is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the stockmarket conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately once it is or becomes aware of any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of Shares in the Company.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

5.2 Nature of this Prospectus

This Prospectus has been prepared as a transaction specific prospectus to the standard of disclosure required by section 713 of the Corporations Act. The information in this Prospectus principally concerns the terms and conditions of the offer to issue Options under this Prospectus and the information which investors and their professional advisers would reasonably require and reasonably expect to find in this Prospectus, for the purpose of making an informed assessment of:

- the effect of the offer to issue the Options on the Company;
- the rights and liabilities attaching to the Options; and
- the rights and liabilities attaching to the Shares.

As the Company has been listed on ASX for approximately 18 years and has complied with enhanced continuous disclosure requirements, a substantial amount of information concerning the Company has previously been notified to ASX and is therefore publicly available.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and, as permitted by section 713 of the Corporations Act, does not include all of the information which would be included in a prospectus for an initial public offer of securities in an entity that is not already listed on ASX.

5.3 Documents which will be supplied upon request

The Company will provide a copy of each of the documents listed below, free of charge, to any person who asks for the same in the period commencing on the date of issue of this Prospectus and ending on the last date on which all Options have been issued under this Prospectus:

- (a) the annual financial report of the Company for the year ended 30 June 2007 which has been lodged with ASIC;
- (b) any half-year financial report lodged with ASIC by the Company since the lodgement of the annual financial report of the Company for the year ended 30 June 2007 and before the lodgement of a copy of this Prospectus with ASIC; and
- (c) all documents used to notify ASX of information concerning the Company under the Listing Rules relating to continuous disclosure during the period after lodgement of the Company's 30 June 2007 annual financial report with ASIC and before the lodgement of a copy of this Prospectus with ASIC. The following documents were lodged with ASX after the date of lodgement of the Company's financial report for the year ended 30 June 2007 with ASIC before the lodgement of a copy of this Prospectus with ASIC:

Announcements	Date lodged with ASX
Amended annual financial report	18 September 2007
Notice to holders of options expiring 31 October 2007	28 September 2007
Appendix 3B – exercise of quoted options	3 October 2007
Appendix 3B – exercise of quoted options	16 October 2007
Quarterly activity report to 30 September 2007	18 October 2007
Annual report and notice of annual general meeting	19 October 2007
Appendix 3B – exercise of quoted options	23 October 2007
Progress report	29 October 2007
Appendix 3B	30 October 2007
Disclosure statement	1 November 2007
Amended option expiry notice	7 November 2007
Appendix 3B	8 November 2007
Change of directors' interest notices (5 notices)	12 November 2007
Progress report	14 November 2007
Results of meeting	22 November 2007
Appendix 3B	27 November 2007
Exploration Manager's presentation to annual general meeting	30 November 2007
Quarterly activity report to 31 December 2007	31 January 2008
Half-year financial report to 31 December 2007	26 February 2008
Commencement of drilling program – Mount Wellington	29 February 2008
Quarterly activity report to 31 March 2008	21 April 2008

Commencement of drilling program – Mary Kathleen	24 April 2008
Commencement of field programs – East Musgrave joint venture	30 April 2008
Change of provider of share registry management services	13 May 2008
Joint venture over mineral tenements in Sweden	16 May 2008
Project update – drilling at Mt Wellington	22 May 2008

Copies of each of the documents listed above may be requested by contacting the Company Secretary at the principal office of the Company. Copies of each of the documents listed above are also available on the Company's website at www.goldsearch.com.au.

5.4 Rights and liabilities attaching to the Options

The rights and liabilities attaching to the Options to be issued under this Prospectus are as follows:

- The exercise price for each Option is ten cents (\$0.10).
- The Options may be exercised at any time on or before 5.00pm (Sydney time) on 31 October 2009 and any Option that is not exercised by that time will automatically lapse.
- Each Option shall carry the right to subscribe for and to be allotted one Share in Goldsearch upon exercise of the Option and payment to Goldsearch of ten cents (\$0.10) per Share.
- The Options shall be exercisable by the delivery to the share registry of Goldsearch of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options, accompanied by the relevant option certificate or holding statement and a cheque or bank draft drawn on an Australian bank made payable in Australian currency to Goldsearch for the subscription price for the Shares. An exercise of only some of the Options held by a person shall not affect the rights of that person under the balance of the Options held by that person.
- Goldsearch shall allot the resultant Shares pursuant to an exercise of Options within 10 business days of the exercise of the Options.
- The Options may be transferred at any time prior to their expiry.
- Shares issued pursuant to an exercise of Options shall rank pari passu with Existing Shares of Goldsearch in all respects.
- Goldsearch will apply for quotation by ASX of all Shares issued pursuant to an exercise of Options on exercise of those Options.
- Option holders have no participation rights for new issues by the Company inherent in the Options unless the Options are exercised before entitlements to the new issue are determined. In this regard, Goldsearch must notify the Option holder of any proposed issue to Shareholders at least 10 business days before the record date. If the Options are exercised before the record date, the Option holder can participate in the issue to Shareholders.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of Goldsearch, the number of the Options or the exercise

price of any Options or both shall be reconstructed (as appropriate) in accordance with the requirements of the Listing Rules.

- The number of Shares to be issued pursuant to the exercise of Options will be adjusted for any bonus issues of Shares made by Goldsearch prior to the exercise of the Options so that, upon exercise of the Options the number of Shares received by the Option holder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for the bonus issues. The exercise price of the Options shall not change as a result of any such bonus issue.

5.5 Rights and liabilities attaching to the Shares

The rights and liabilities attaching to the Shares in the Company to be issued on exercise of the Options are prescribed by both the Corporations Act and the constitution of the Company. A summary of the more significant rights and liabilities is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's shareholders. A full copy of the Company's constitution is available free of charge on request from the Company at its principal office.

The Shares issued on exercise of the Options will be in the same class and have the same rights as Existing Shares.

Notice rights. Each holder of a Share is entitled to receive notice of, and to attend and vote at, general meetings of the Company and receive all notices, financial statements and other documents required to be furnished to shareholders under the Corporations Act, the Company's constitution or the Listing Rules.

Voting rights. Subject to any special rights for the time being attaching to any class or classes of shares in the Company, at a general meeting, every holder of a Share present at the meeting in person, by proxy, representative or attorney has one vote on a show of hands and on a poll one vote for each Share held.

Dividend rights. Subject to the rights of the holders of any shares with special or preferential rights, the profits of the Company which the Directors may from time to time determine to distribute by way of dividends are divisible among the holders of Shares in proportion to the amount paid or credited as paid on the Shares. Dividends are declared by the Directors at their discretion.

The Directors do not anticipate declaring a dividend in the foreseeable future.

Variation of class rights. The rights, privileges and restrictions attaching to the Shares and to any other class of share can only be altered with the approval of a resolution passed at a separate general meeting of the holders of the class of shares concerned by a three quarters majority of those holders who, being entitled to do so, vote at that meeting or with the written consent of the holders of at least three quarters of the shares of that class on issue.

Transfer rights. Subject to the Corporations Act, the Company's constitution and the Listing Rules, the Shares are freely transferable. The Directors may decline to register any transfer of Shares, but only where permitted to do so by the Listing Rules, the business rules of the Securities Clearing House or the Company's constitution, as the case may be.

Rights on winding up. Subject to the rights of any shares issued with any special or preferential rights (at present there are none), on a winding up of the Company, any surplus assets shall be distributed to holders of all Shares entitled to the distribution, in proportion to the amounts paid up or which ought to have been paid up on the Shares at the commencement of the winding up.

Issue of further Shares. The allotment or issue of any shares is under the control of the Directors who may, subject to the Corporations Act and the Listing Rules, allot or otherwise dispose of them on such terms and conditions as they think fit.

Officers' indemnity. To the full extent permitted by law and to the extent not covered by insurance, the Company must indemnify each officer and former officer of the Company against:

- all losses and liabilities incurred by the officer as an officer of the Company, unless the liability arises out of conduct involving a lack of good faith; and
- for costs and expenses incurred in defending civil proceedings in which judgement is given in favour of the officer, or in which the officer is acquitted, or in connection with relief granted to the officer in an application under the Corporations Act.

5.6 Litigation

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on it or its business.

5.7 Consents

Registries Limited has given and, as at the date hereof has not withdrawn, its written consent to being named as share registrar in the form and context in which it is named. Registries Limited has had no involvement in the preparation of any part of this Prospectus other than being named as share registrar to the Company. Registries Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

Landerer & Company has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to being named in this Prospectus and any electronic version of this Prospectus as solicitor to the Company in the form and context in which it is named. Landerer & Company has been involved in providing advice to the Company on the law relating to the Issue and reviewing this Prospectus for verification purposes. However, Landerer & Company does not make any offer to issue the Options; has not authorised or caused the issue of any part of this Prospectus; does not make, or purport to make, any statement in this Prospectus, nor is any statement based upon a statement made by Landerer & Company, other than the references to its name; and to the maximum extent permitted by law, Landerer & Company expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to its name.

5.8 Interests of Directors

Except as disclosed below or elsewhere in this Prospectus, no Director or proposed director of the Company holds or has held within the two years before the date of this Prospectus any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or with the offer to issue Options under this Prospectus; or
- the offer to issue Options under this Prospectus.

Except as disclosed below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed director of the Company, to induce them to become, or to qualify as, a director of the Company. Directors are not required under the constitution of the Company to hold any Shares in the Company.

The Directors and their respective interests in Existing Shares and Existing Unquoted Options on issue as at the date of this Prospectus are set out below:

Director	Existing Shares		Existing Unquoted Options	
	Direct	Indirect	Direct	Indirect
J Landerer CBE AM	5,725,872	4,243,129	-	3,000,000
AG Harris	220,000	-	2,000,000	-
RB Leece AM RFD	-	11,996,465	-	2,000,000
JME Percival	4,000	5,481,709	-	3,000,000
TV Willsted	-	3,308,000	-	2,000,000

Notes:

- (a) The Directors are entitled to Director's fees and other entitlements for acting as Directors. Until approved otherwise by the Shareholders in general meeting, the aggregate fees payable to the Directors, other than a managing director or executive director, shall be a maximum of \$150,000 per annum.

The Directors are also entitled to be paid all travelling and other expenses properly incurred by them in connection with the business or affairs of the Company and any Director who performs extra services or makes any special exertions or undertakes work for the Company beyond his ordinary duties may be remunerated either by a fixed sum or salary.

The Directors holding Shares at the Record Date will be issued Options under this Prospectus.

- (b) Landerer & Company, a legal firm in which Mr John Landerer CBE AM is a director and who is chairman of the board of directors of the Company, in the two years preceding the date of this Prospectus received or was entitled to receive fees for legal services provided to the Company as specified in Section 5.9 of this Prospectus in the usual course of business.
- (c) The 12,000,000 Existing Unquoted Options held directly or indirectly by the Directors are Executive Options issued under the Option Plan. As noted in Section 3 of this Prospectus, if the Executive Options held directly or indirectly by the Directors are not exercised prior to the Record Date, then the number of Shares over which each Executive Option is exercisable will be increased by the number of securities which the holder of the Executive Option would have received if the Executive Option had been exercised before the Record Date.

5.9 Interests of other persons

Except as disclosed below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in conjunction with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- stockbroker or underwriter to the Issue

holds or has held within the two years before the date of this Prospectus any interest in:

- . the formation or promotion of the Company;
- . property acquired or proposed to be acquired by the Company in connection with its formation or promotion or with the offer to issue Options under this Prospectus; or
- . the offer to issue Options under this Prospectus.

Except as disclosed below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any:

- . person named in this Prospectus as performing a function in a professional, advisory or other capacity in conjunction with the preparation or distribution of this Prospectus;
- . promoter of the Company; or
- . stockbroker or underwriter to the Issue

for services provided in connection with the formation or promotion of the Company or in connection with the offer to issue Options under this Prospectus.

The exceptions referred to above are:

- . Landerer & Company, of which firm Mr John Landerer CBE AM is a director and who is also chairman of the board of directors of the Company, has acted as solicitors to the Company in connection with the Issue and has performed work in relation to the due diligence process for which it will be paid approximately \$15,000 (exclusive of GST and disbursements), in accordance with the usual hourly charge out rates of Landerer & Company. Landerer & Company has received \$40,590.55 (exclusive of GST) (which includes \$375.55 by way of reimbursement of disbursements) for the provision of other legal services provided to the Company during the two years before the date of this Prospectus.

5.10 Expenses of the Issue

The total estimated expenses of the Issue (exclusive of GST) which are payable by the Company are:

Legal fees	\$18,000
ASIC fees	\$2,010
ASX fees	\$15,750
Printing, share registry, despatch, administration and other costs	\$24,240
	<hr style="border-top: 1px solid black;"/>
	\$60,000

5.11 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: 9.1 cents per Share on 22 May 2008

Lowest: 4.1 cents per Share on 15 April 2008

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was 8.5 cents per Share on 30 May 2008.

The Options are not currently listed on ASX.

5.12 ASIC Class Order

The Company has taken advantage of ASIC Class Order CO 00/1092 which exempts the Company from sections 717 and 723 of the Corporations Act to the extent that they require:

- (a) this Prospectus to include or be accompanied by an application form; and
- (b) the Company to only issue Options pursuant to this Prospectus to a person who has submitted an application form distributed with this Prospectus.

6 AUTHORISATION

This Prospectus is dated 2 June 2008 and is issued by Goldsearch Limited.

The lodgement of this Prospectus with ASIC was consented to by each Director in accordance with section 720 of the Corporations Act.

Signed on behalf of Goldsearch Limited.



John Morgan Edwin Percival
Director

7 **GLOSSARY**

In this Prospectus the following words have the following meanings unless the context otherwise requires:

\$ or A\$	Australian dollars
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 006 624 691.
the Company or Goldsearch	Goldsearch Limited ABN 73 006 645 754.
Corporations Act	Corporations Act 2001 of the Commonwealth of Australia.
Directors	the directors of the Company.
Entitlement	the right of a holder of Shares to be issued Options under this Prospectus.
Executive Options	the 16,000,000 Existing Unquoted Options which expire on 31 January 2010 that are referred to in Section 3 of this Prospectus.
Existing Shares	Shares on issue as at the date of this Prospectus.
Existing Unquoted Options	the 17,200,000 options to acquire Shares in the Company that are referred to in Section 3 of this Prospectus.
GST	GST as defined in the A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth of Australia
Issue	the issue of Options to be made pursuant to this Prospectus.
Listing Rules	the official listing rules of ASX.
Non-Participating Foreign Shareholders	the Shareholders with a registered address not in either Australia or New Zealand.
Option Plan:	the Company's Employee and Directors Share Option Plan in existence as at the date of this Prospectus which was the subject of a number of resolutions passed by the shareholders of the Company on 30 November 2006.
Options	the free options to be issued by the Company pursuant to this Prospectus, each option being an option to subscribe for one Share exercisable at ten cents (\$0.10) each on or before 31 October 2009.
Prospectus	this Prospectus dated 2 June 2008.
Record Date	7.00pm Sydney time on 17 June 2008.
Shareholders	the holders of Shares as at the Record Date.
Shares	fully paid ordinary shares in the capital of the Company.

8 CORPORATE DIRECTORY

DIRECTORS & COMPANY SECRETARY

John Landerer CBE AM
Non-executive chairman

John Morgan Edwin Percival
Director - Operations

Albert George Harris
Non-executive director

Robert Burgess Leece AM RFD
Non-executive director

Terence Vincent Willstead
Non-executive director

Paul Stewart Hewson
Company secretary

SHARE REGISTRY

Registries Limited
Level 7
207 Kent Street
SYDNEY NSW 2000
Telephone: 1300 737 760 (from within Australia)
 +61 2 9290 9600 (from outside Australia)
Fax: 1300 653 459 (from within Australia)
 + 61 2 9279 0664 (from outside Australia)

REGISTERED OFFICE

c/- Level 6
77 Castlereagh Street
Sydney NSW 2000
Telephone: 02 9930 7700
Fax : 02 9930 7777

PRINCIPAL OFFICE

Level 4
20 Loftus Street
Sydney NSW 2000
Telephone: 02 9241 5999
Fax : 02 9241 5599
website: www.goldsearch.com.au