

GOLDSEARCH

MULTI-ELEMENT EXPLORER CONFIDENT OF FUTURE

After expanding and carefully developing its exploration base, Goldsearch Limited is now hard at work drilling for a company-maker.

GOLDSEARCH HAS emerged from its namesake focus to become a multi-element explorer with three advanced projects in Australia and an exciting new base metals opportunity in Sweden.

The company recently launched new drilling programs on two of these projects, has a majority ownership within three of them and a fourth involving a partnership with BHP Billiton and the Independence Group.

Gold remains central to the company's production aspirations with its first drilling program of the year starting at Goldsearch's 100%-owned Mt Wellington project in eastern Victoria aimed at identifying high-grade epithermal gold and silver deposits and large tonnage magmatic gold and copper systems.

The first of an initial three diamond drillholes at Rhyolite Creek has yielded an encouraging 5.6m intersection of 2.46 grams per tonne gold from 220m, including a peak 1m at 8.95gpt. This drillhole also returned 1m intervals of up to 127gpt silver, 17.9% zinc, 1.5% lead and 0.6% copper.

The Mt Wellington project is 20km southeast of Jamieson and 10km east of the Morning Star gold mine in the Woods Point/Walhalla region, which has historically produced in excess of 2 million ounces of gold.

Goldsearch exploration manager Heath Hellewell told *RESOURCESTOCKS* the Rhyolite Hill drilling was targeting a 500m by 150m magnetic anomaly.

The best gold intercept from limited previous drilling at Rhyolite Creek was 12.6m at 1.01gpt gold from 6m, with the best silver intercept being 32m at 27.25gpt and 0.32gpt gold from 69.5m.

Wide zones of low-grade mineralisation up to 75m at 0.2gpt were also intercepted by previous explorers.

"We're looking for intrusive related porphyry style gold mineralisation. Our work to date has come up with fine gold associated with sulphides, as opposed to the nuggety gold in quartz lodes usually found in the Victorian goldfields," Hellewell said.

"Given the promising results from our initial assays, we are very keen to follow up with further exploration activities, so that we can enter the second phase of the drilling program towards year-end."

In Queensland, Goldsearch's focus is on the gold, copper and uranium potential of the Mary Kathleen project in the Mt Isa/Cloncurry region where it has a 75% stake with Central West Gold.

The company's second drilling program this year is 3000m of reverse circulation (RC) to test four high priority targets within the 160 square kilometre project area that spreads north and south of the old Mary Kathleen uranium mine, Australia's first uranium mine. Final assays are expected early in the September 2008 quarter.

However, Goldsearch believes from geophysical work over the last year that there is good potential for

the discovery of significant deposits of copper/gold and for additional high-grade uranium at the Elaine Dorothy prospect, 7km south of the Mary Kathleen mine.

Drilling is currently underway, initially testing the potential of previously identified mineralisation at depth, with further drilling to be completed provided onsite scintillometer tests are positive. Hellewell is confident this work will be followed by diamond drilling in July-August.

Best results from previous historical drilling included 2.3m at 0.262% uranium oxide (U₃O₈) from 26m, 9.5m at 0.036% U₃O₈ from 13.5m and 2m at 0.134% U₃O₈ from 100m.

Four previous holes by Goldsearch yielded 1m at 0.047% U₃O₈ and 0.988% rare earth oxides from 83m.

At the nearby Pindora, Prince of Wales and Hardway targets, drilling is targeting geochemical, magnetic and induced polarisation (IP) geophysical anomalies adjacent to major fault structures.

The Pindora target is 5km east of Kings Minerals' Kalman deposit, copper-molybdenum-gold mineralisation that extends along strike for 1000m to a depth of 700m below surface, with mineralisation remaining open along strike to the north and south and at depth.

Goldsearch's geochemical

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HEATH HELLEWELL
EXPLORATION MANAGER
GOLDSEARCH



sampling at Pindora has defined a zone of anomalous copper geochemistry over 5.7km, with peak copper values in the minus 2 millimetre soil samples of 0.55% copper and a peak gold value of 132 parts per billion (ppb).

At Hardway, a number of shallow opencut mines have exploited oxide copper mineralisation associated with a wide zone of shearing along the margin of the Hardway granite.

Hellewell says the mineralisation has similar characteristics to the Rocklands/Double Oxide copper deposit, 49km to the east, where evaluation, including resource definition drilling, is being carried out by Cudoco Ltd.

Peak assay results from Goldsearch's geochemical sampling have included 0.5% copper and 195ppm cobalt, with a zone of elevated copper geochemistry over a strike length of about 2km and open to the south.

At the Prince of Wales target, sampling has defined a geochemical trend anomalous in copper up to 1.66% and weakly anomalous in gold (up to 206ppb) over a strike length of 2.6km.

Perhaps Goldsearch's most noted endeavour is the East Musgrave base metals project in northern South Australia, near the Northern Territory and Western Australian borders.

The project has attracted the heavyweights of the Australian mining sector, with farm-in partner BHP Billiton earning 65% of the project by spending \$25 million or delivering a bankable feasibility study within 10 years. Joint venture partner Independence Group is managing the project and has begun its field program to earn its ultimate 17.85%.

The priority exploration target is nickel, copper and platinum group element mineralisation, similar to BHP Billiton's Nebo-Babel nickel-copper sulphide discovery across the border in the WA portion of the Musgrave Block.

Initial Goldsearch programs consist of regional geochemical sampling over prioritised areas within the 1500sq.km tenements, which Hellewell describes as "one of the most under-explored, highly prospective mineral regions for nickel, copper and other base metals left in Australia".

Goldsearch holds one of the largest land positions in the region and has two priority tenements already granted. The company anticipates several more tenements to be granted



within the next 12 months.

The company's recent foray outside Australia has been into a Swedish base metals project.

Goldsearch recently concluded a €1 million (\$A1.64 million) farm-in agreement with Toronto-listed Tumi Resources to earn up to 70% in four base metal and silver tenements within the Bergslagen region, about 100km northwest of Stockholm.

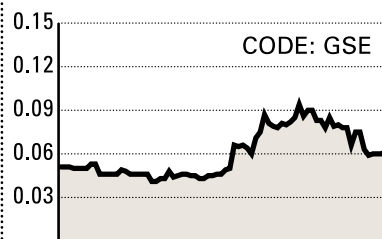
Hellewell believes all four areas have excellent potential for discovering new silver/lead/zinc deposits.

To earn its equity, Goldsearch is funding a SkyTEM airborne electromagnetic and magnetic survey currently underway over the properties – Jugansbo, Sala 4, Kobergs and Hällefors, Sweden's second-largest historical silver producer, which has produced over 480,000oz.

It has been a long haul for Goldsearch since the company was formed in 1990, but Hellewell says it now has three exploration projects at an advanced stage of development with a spread of favourable commodities, good partners and \$7 million in the bank – "a healthy platform from which to move forward".

Drilling in the clouds

GOLDSEARCH AT A GLANCE



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MARKET CAPITALISATION

\$23 million (at press time)

MAJOR SHAREHOLDERS

Forbar Custodians Ltd 14.33%
ANZ Nominees Ltd 9.85%

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