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12 March 2009

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

Via ASX Online

No. of pages – 16

Dear Sir,

Half-year financial report to 31 December 2008

Attached for release to the market is the half-year financial report of Goldsearch Limited for the six months ended 31 December 2008 including the independent audit review report thereon.

The attached report includes the half-year information to be given to ASX under Listing Rules 4.2A, 4.2B and 4.2C.

The half-year financial report should be read in conjunction with the Company's 2008 annual financial report and any subsequent announcements made by the Company in accordance with the continuous disclosure requirements of the Corporations Act 2001.

For and on behalf of the directors of  
Goldsearch Limited



P S Hewson  
Secretary

**GOLDSEARCH LIMITED**  
**ABN 73 006 645 754**

HALF-YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED  
31 DECEMBER 2008

# GOLDSEARCH LIMITED

ABN 73 006 645 754

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# **GOLDSEARCH LIMITED**

**ABN 73 006 645 754**

## **DIRECTORS' REPORT**

Your directors have pleasure in submitting the half-year financial report of Goldsearch Limited for the six months ended 31 December 2008 and report as follows:

### **Directors**

The names of the directors in office throughout the half-year ended 31 December 2008 and to the date of this report are:

Mr. J. Landerer CBE AM  
Mr. A.G. Harris  
Mr. R.B. Leece AM RFD  
Mr. J.M.E. Percival  
Mr. T.V. Willsteed

### **Principal activities**

The principal activities of the Company during the half-year were exploration for gold, other minerals and investment.

There were no significant changes in the nature of activities of the Company that occurred during the half-year.

### **Review of operations**

The following occurred during the half-year under review:

- On 14 July 2008 the directors issued 23,796 ordinary fully paid shares at 10 cents each pursuant to the exercise of quoted options.
- On 28 July 2008 the directors issued an update report on the Company's joint venture operations in Sweden advising that an initial airborne skyTEM geophysical survey had been completed and data had been received for the Hallefors area which highlighted targets for further exploration.
- On 6 August 2008 the directors issued 7,025 ordinary fully paid shares at 10 cents each pursuant to the exercise of quoted options.
- On 7 October 2008 the directors issued an update report on the Company's exploration activities at the Mary Kathleen project in Queensland advising that a program of 26 reverse circulation drill holes had been completed at three separate target areas and that further drilling was expected to commence at the Elaine Dorothy uranium target within the coming weeks
- In the activity report for the quarter ended 30 September 2008, which was released on 30 October 2008, the Company reported that:
  - Drilling of copper/gold targets at Mary Kathleen returned results which included
    - up to 4 metres averaging 2.5% copper, with 0.24 grams per tonne gold in drill hole MKRC012 at Pindora; and
    - copper values averaging 1.05% which were associated with elevated cobalt up to 0.24%, uranium up to 74 parts per million, phosphorus and yttrium between 43 to 48 metres in drill hole MKRC023 at Hardway.
  - At the East Musgrave Joint Venture, regional soil geochemical sampling returned peak assay results up to 522 parts per million nickel, 240 parts per million copper and 20 parts per billion platinum plus palladium.
  - During the quarter 30,821 of the Company's quoted options were exercised and 30,821 ordinary shares were issued at 10 cents each.
- On 15 December 2008 the directors issued an update report on the Company's exploration activities at the Mount Wellington project in Victoria and the Mary Kathleen project in Queensland. In relation to the Mount Wellington project they advised that the project area had been expanded to 465 square kilometres and that ground IP (induced polarisation) geophysical

## **GOLDSEARCH LIMITED**

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surveys were underway at Rhyolite Creek where drilling is to commence in coming weeks, partly funded by a Victorian government grant of \$46,000. In relation to the Mary Kathleen project they advised that a rock chip sampling program had returned encouraging high grade copper results at the Jubilee target; and that the recent drilling program at the Mount Dorothy prospect had limited the potential for mineralisation at depth.

- In the activity report for the quarter ended 31 December 2008 which was released on 31 January 2009 the Company reported that:
  - At the Mount Wellington project:
    - a two hole, follow-up drilling program was completed at the Rhyolite Creek target where encouraging geology was intercepted in hole RCD003. Assay results were pending;
    - an IP ground geophysical program was completed at Rhyolite Creek and initial results suggested that the technique had worked well. Bedrock conductors were being mapped and final processing, geological reconciliation and interpretation were all underway;
    - exploration licence EL 4835 was recently granted, enabling a detailed review of the significant gold intercepts in previous drilling at the Hill 800 prospect to commence immediately;
    - the Company had acquired 100% of EL 4976 at Mount Wellington, bringing the total project area to 465 square kilometres;
  - At the Mary Kathleen project:
    - encouraging soil geochemical results had extended the Hardway target area; and
    - recent drilling has downgraded the depth potential at the Elaine Dorothy uranium prospect.
- The Company earned \$85,329 in interest and dividends; raised \$3,082 from the issue of new shares; and expended \$968,942 on exploration and \$421,197 on administration.

### **Subsequent events**

On 5 February 2009 the Company announced that it had issued 500,000 fully paid ordinary shares and 400,000 unquoted options exercisable at 7.5 cents each before 30 June 2009 as part of the deferred consideration for the acquisition of exploration licence EL 5046 Mikes Bluff.

There have been no other matters or circumstances that have arisen since 31 December 2008 that have significantly affected or may significantly affect:

- (i) the Company's operations in future years; or
- (ii) the results of those operations in future years; or
- (iii) the Company's state of affairs in future years.

### **Auditor's independence declaration**

An independence declaration has been provided by the Company's auditor, Grant Thornton. A copy of this declaration is attached to, and forms part of, the half-year financial report for the six months ended 31 December 2008.

Signed in accordance with a resolution of the board of directors.

J M E Percival  
Director

Sydney  
12 March 2009

Grant Thornton  
ABN 13 871 256 387

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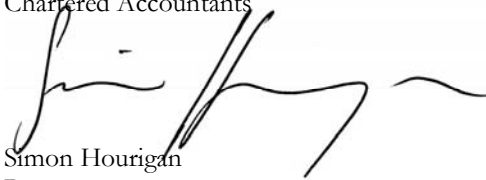
**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF GOLDSEARCH LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Goldsearch Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON  
Chartered Accountants



Simon Hourigan  
Partner  
Melbourne, 12 March 2009

# GOLDSEARCH LIMITED

ABN 73 006 645 754

## INCOME STATEMENT for the half-year ended 31 December 2008

	Half-year	
	31.12.2008	31.12.2007
	\$	\$
Revenues	85,329	204,253
Capitalised exploration expenses written off	(139,372)	(364,583)
Salary costs (including directors' fees)	(112,719)	(88,129)
Share-based payments expense	-	(81,292)
Professional and legal fees	(120,003)	(130,802)
Operating lease expenses (office premises)	(28,937)	(23,107)
ASX and share registry expenses	(49,377)	(60,907)
Insurances	(5,215)	(5,831)
Depreciation and amortisation	(3,650)	(4,866)
Printing and postage	(45,868)	(52,044)
Interest expense	-	-
Other expenses	(55,428)	(69,459)
<b>Loss before income tax expense</b>	<b>(475,240)</b>	<b>(676,767)</b>
Income tax expense	-	-
Net loss for the period	(475,240)	(676,767)
<b>Loss attributable to members of the Company</b>	<b>(475,240)</b>	<b>(676,767)</b>
<b>Continuing operations:</b>		
Basic earnings/(loss) per share (cents per share)	(0.13)	(0.21)
Diluted earnings/(loss) per share (cents per share)	(0.13)	(0.21)

These financial statements should be read in conjunction with the accompanying notes.

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## BALANCE SHEET as at 31 December 2008

	Note	31.12.2008 \$	30.6.2008 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,381,698	2,761,998
Receivables		74,815	138,569
Other current assets		26,229	35,185
<b>TOTAL CURRENT ASSETS</b>		<b>1,482,742</b>	<b>2,935,752</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		64,640	15,758
Exploration and investment expenditure		3,585,211	2,758,141
Other financial assets		871,385	2,135,885
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,521,236</b>	<b>4,909,784</b>
<b>TOTAL ASSETS</b>		<b>6,003,978</b>	<b>7,845,536</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		200,427	262,300
Provisions		52,134	95,161
<b>TOTAL CURRENT LIABILITIES</b>		<b>252,561</b>	<b>357,461</b>
<b>TOTAL LIABILITIES</b>		<b>252,561</b>	<b>357,461</b>
<b>NET ASSETS</b>		<b>5,751,417</b>	<b>7,488,075</b>
<b>EQUITY</b>			
Issued capital	6	29,737,093	29,734,011
Reserves		26,397	1,290,897
Accumulated losses		(24,012,073)	(23,536,833)
<b>TOTAL EQUITY</b>		<b>5,751,417</b>	<b>7,488,075</b>

These financial statements should be read in conjunction with the accompanying notes.

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## STATEMENT OF CHANGES IN EQUITY for the half-year ended 31 December 2008

Note	Issued capital		Reserves		Total
	Ordinary shares	Revaluation	Share-based payments	Accumulated losses	
	\$	\$	\$	\$	
<b>Balance at 1 July 2007</b>	25,500,634	1,413,686	425,560	(22,183,354)	5,156,526
Employee share options	4,353,138	-	-	-	4,353,138
Share issue costs	(87,071)	-	-	-	(87,071)
Employee share options	-	-	108,390	-	108,390
Available-for-sale financial assets	-	830,183	-	-	830,183
Loss attributable to members of the parent entity	-	-	-	(676,767)	(676,767)
<b>Balance at 31 December 2007</b>	<b>29,766,701</b>	<b>2,243,869</b>	<b>533,950</b>	<b>(22,860,121)</b>	<b>9,684,399</b>
<b>Balance at 1 July 2008</b>	29,734,011	726,869	564,028	(23,536,833)	7,488,075
Shares issued during the period 6	3,082	-	-	-	3,082
Available-for-sale financial assets	-	(1,264,500)	-	-	(1,264,500)
Loss attributable to members of the parent entity	-	-	-	(475,240)	(475,240)
<b>Balance at 31 December 2008</b>	<b>29,737,093</b>	<b>(537,631)</b>	<b>564,028</b>	<b>(24,012,073)</b>	<b>5,751,417</b>

These financial statements should be read in conjunction with the accompanying notes.

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## CASH FLOW STATEMENT for the half-year ended 31 December 2008

	31.12.2008	31.12.2007
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Payments to suppliers and employees	(383,300)	(445,712)
Interest received	79,208	45,331
Dividends received	17,500	42,000
Other income	-	-
	<hr/>	<hr/>
Net cash used in operating activities	(286,592)	(358,381)
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for plant and equipment	(55,791)	(351)
Proceeds from sale of investments	-	-
Payments for exploration interests	(1,022,979)	(556,148)
	<hr/>	<hr/>
Net cash used in investing activities	(1,078,770)	(556,499)
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	3,082	4,353,138
Payment of share issue costs	(18,020)	(87,071)
	<hr/>	<hr/>
Net cash provided by / (used in) financing activities	(14,938)	4,266,067
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents held	(1,380,300)	3,351,187
Cash and cash equivalents at beginning of the reporting period	2,761,998	917,633
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,381,698</b>	<b>4,268,820</b>

These financial statements should be read in conjunction with the accompanying notes.

# GOLDSEARCH LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS for the half-year ended 31 December 2008

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the half-year reporting period ended 31 December 2008 has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 'Interim Financial Reporting', Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Goldsearch Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial report was authorised for issue by the directors on 12 March 2009.

The accounting policies adopted in the preparation of the half-year financial report are consistent with those in the 30 June 2008 annual financial report and corresponding half-year reporting periods.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars, unless otherwise noted.

### NOTE 2: MATTERS SUBSEQUENT TO BALANCE DATE

On 5 February 2009 the Company announced that it had issued 500,000 fully paid ordinary shares and 400,000 unquoted options exercisable at 7.5 cent each before 30 June 2009 as part of the deferred consideration for the acquisition of exploration licence EL 5046 Mikes Bluff.

There have been no other matters or circumstances that have arisen since 31 December 2008 that have significantly affected or may significantly affect:

- (i) the Company's operations in future years; or
- (ii) the results of those operations in future years; or
- (iii) the Company's state of affairs in future years.

### NOTE 3: DIVIDENDS

No dividends were declared or paid in the half-year period.

### NOTE 4: SEGMENT INFORMATION

The Company operates its mineral exploration division predominantly in two geographical segments, Australia and Sweden while the Company's investment division is operated predominantly in Australia. Industries segment information is as follows:

	Mineral exploration Australia	Mineral exploration Sweden	Other - Investment	Unallocated	Total
<b>2008</b>					
Revenue	-	-	17,500	67,829	85,329
Results	(139,372)	-	17,500	(353,368)	(475,240)
Assets	3,381,041	204,170	871,385	1,547,382	6,003,978
Liabilities	199,308	18,497	-	34,756	252,561
Acquisition of non-current assets	1,019,388	-	-	-	1,019,388
Depreciation	3,259	-	-	3,649	6,908
Other non-cash expenses	139,372	-	-	-	139,372

# GOLDSEARCH LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS for the half-year ended 31 December 2008

### NOTE 4: SEGMENT INFORMATION (CONTINUED)

	Mineral exploration Australia	Mineral exploration Sweden	Other - Investment	Unallocated	Total
<b>2007</b>					
Revenue	102,965	-	42,000	59,288	204,253
Results	(261,618)	-	42,000	(457,149)	(676,767)
Assets	1,790,686	-	3,652,885	4,375,112	9,818,683
Liabilities	29,056	-	-	105,228	134,284
Acquisition of non-current assets	559,370	-	830,183	-	1,389,553
Depreciation	572	-	-	4,866	5,438
Other non-cash expenses	364,583	-	-	81,292	445,875

### NOTE 5: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

### NOTE 6: ISSUANCES, REPURCHASES AND REPAYMENTS OF SECURITIES

	2008 \$	2007 \$	
<b>Movement in issued capital during the half-year:</b>			
<b>(a) Issued capital – ordinary shares:</b>			
367,218,696 ordinary fully paid shares on issue at beginning of the half-year (2007: 280,155,922)	26,988,937	22,755,560	
Issued during the half-year:			
30,821 ordinary fully paid shares issued on the exercise of quoted options at a price of 10 cents each	3,082	-	
87,062,774 ordinary fully paid shares issued on the exercise of quoted options at a price of 5 cents each	-	4,353,138	
Share issue costs	-	(87,071)	
367,249,517 ordinary fully paid shares on issue at end of the half-year (2007: 367,218,696)	26,992,019	27,021,627	
<b>(b) Issued capital - options:</b>			
Issue price of options issued in prior years and which have expired	2,745,074	2,745,074	
Total issued capital at reporting date	29,737,093	29,766,701	
<b>(c) Movement in number of issued shares during the half-year:</b>			
<b>Date</b>	<b>Details</b>	<b>Number</b>	<b>Number</b>
1 July	opening balance	367,218,696	280,155,922
July to August 2008	ordinary shares issued on exercise of quoted options	30,821	-
July to December 2007	ordinary shares issued on exercise of quoted options	-	87,062,774
31 December	closing balance	367,249,517	367,218,696

# GOLDSEARCH LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS for the half-year ended 31 December 2008

### NOTE 6: ISSUANCES, REPURCHASES AND REPAYMENTS OF SECURITIES (CONTINUED)

**Movement in issued capital during the half-year: (continued)**

**(d) Movement in number of issued options during the half-year:**

Date	Details	Weighted average exercise price	Expiry date	Number
<u>Quoted options</u>				
1 July 2008	opening balance	10 cents	31 October 2009	90,463,630
11 July 2008	options exercised	10 cents	31 October 2009	(23,796)
6 August 2008	options exercised	10 cents	31 October 2009	<u>(7,025)</u>
31 December 2008	closing balance	10 cents	31 October 2009	<u><u>90,432,809</u></u>
<u>Unquoted options</u>				
1 July 2008	opening balance	6.4 cents	various	20,400,000
July to December 2008	options exercised			<u>Nil</u>
31 December 2008 <sup>(1)</sup>	closing balance <sup>(1)</sup>	6.4 cents	various <sup>(1)</sup>	<u><u>20,400,000</u></u>

(1) At 31 December 2008 the Company had the following unquoted options outstanding:

400,000 options exercisable at 10 cents each and expiring 30 June 2009.

8,000,000<sup>#</sup> options exercisable at 5 cents each and expiring 31 January 2010.

8,000,000<sup>#</sup> options exercisable at 7.5 cents each and expiring 31 January 2010.

# Consequent to the bonus issue of quoted options which was completed in June 2008, and in accordance with the terms on which they were issued, 16,000,000 of the existing unquoted share options were automatically adjusted so that each option to subscribe for 1 share in the Company became an option to subscribe for 1.25 shares in the Company. Accordingly the aggregate number of shares which may be subscribed for by the holders of these options (the underlying securities) has increased from 16,000,000 shares to 20,000,000 shares. The previous exercise price per option has been clarified as being the exercise price per share.

**GOLDSEARCH LIMITED**

**ABN 73 006 645 754**

**DIRECTORS' DECLARATION**

1. In the opinion of the directors of Goldsearch Limited:
  - (a) the financial statements and notes, set out on pages 4 to 10 are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the financial position of the Company as at 31 December 2008 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date;
    - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001: and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration is made in accordance with a resolution of the directors.

On behalf of the directors

J M E Percival  
Director

Sydney  
12 March 2009

Grant Thornton  
ABN 13 871 256 387

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## **Independent Auditor's Review Report To the Members of Goldsearch Limited**

### **Report on the half-year financial report**

We have reviewed the accompanying half-year financial report of Goldsearch Limited, which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement or description of accounting policies, and other selected explanatory notes.

### **Directors' responsibility for the half-year financial report**

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410: Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Goldsearch Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we complied with the independence requirements of the Australian professional ethical pronouncements and the Corporations Act 2001.

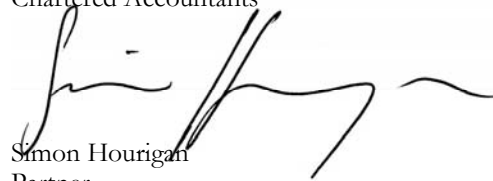
**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Goldsearch Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



GRANT THORNTON  
Chartered Accountants



Simon Hourigan  
Partner

Melbourne, 12 March 2009