

Quarterly Report - for the period ended 31 March, 2002

Summary

1. Musgrave Block Project

Exploration licence EL 9407, located in the Musgrave Block region of the Northern Territory, was granted to Goldsearch for a period of six years on 13 December, 2001. An additional three exploration licences, ELs 5702, 9443 and 9741, located in the same vicinity were subsequently granted on 14 January, 2002. Work area clearances are scheduled to be conducted in June for ELs 9407, 5702, 9443 and 9741. Field exploration activity is expected to commence in late June. The four licences cover an area of approximately 1,900 square kilometres and are prospective for base metals, silver and gold. Goldsearch holds 100% equity in EL 9407 and can earn up to a 75% interest in ELs 5702, 9443 and 9741. A number of exploration targets have been defined based on circular magnetic features considered prospective for copper, -gold, -iron oxide ore deposit models similar to Olympic Dam and sediment hosted styles of base metal mineralisation similar to that of the Zambian Copper Belt. Targets with potential for gold bearing polymetallic quartz lodes will also be investigated. Independence Gold NL will fund and manage exploration on behalf of Goldsearch and its joint venture partners in return for the opportunity to earn 51% of the equity held by Goldsearch.

2. Duck Creek project

The Company has completed an access agreement with the Mitakoodi People and Kalkadoon People for exploration permits for minerals EPMs 13273 and 13336. The Company intends to commence exploration as soon as work programs are cleared by the traditional owners. The exploration permits covers approximately 136 square kilometres in an area south-west of Cloncurry known as Duck Creek which contains a number of copper and gold prospects with substantial cobalt and bismuth credits. An initial field reconnaissance sampling and mapping survey has been designed to locate areas suitable for ground geophysical surveys to be undertaken to define drill targets.

EXPLORATION ACTIVITIES

Independence Gold NL Joint Venture

In October, 2000 a general meeting of Goldsearch shareholders approved a joint venture agreement with Independence Gold NL (Independence) to participate in the exploration, development and mining of tenements held by Goldsearch in the Musgrave Block region and at Mount Patricia in the Tanami Goldfield. Independence can earn a 51% equity in the exploration tenements included in the agreement by funding an exploration expenditure equal to twice the statutory annual expenditure commitment assigned to the exploration licence by the issuing authority. The total amount of annual expenditure will be dependent on the number of exploration licences granted and initial exploration of those licence areas. Up to \$5,976,000 could be spent on exploration under the agreement. Independence must spend a minimum of \$2,000,000 before earning an equity in any licence area.

The agreement not only benefits Goldsearch in providing the funding for initial exploration but also gives access to the experienced exploration team of Independence which has contributed to a number of successful mineral discoveries within Australia in recent years.

Compilation of a comprehensive database for the entire Musgrave Block region has been completed. It includes all publicly available geological, geochemical, mineral occurrence, aeromagnetic, gravity and selected Landsat data. Fifty priority exploration target areas within tenements subject to the joint venture have been generated and exploration is ready to commence as soon as access is available. The following table summarises priority exploration targets currently defined;

Target model	Commodity	No.of targets
Magmatic Ni-Cu (Voisey's Bay/WMC West Musgrave)	Ni, Cu, (Co, Au, PGE)	16
Proterozoic Cu-Au Fe -oxide (Olympic Dam)	Au, Cu	13
Stratabound base metals (Broken Hill)	Pb, Zn, Ag, Cu	7
Lode and shear hosted gold (Granites Tanami, Pine Ck)	Au, Ag	7
Sediment hosted copper (Zambian Copper Belt)	Cu, Co, Ag	4

One of the nickel sulphide targets contains a prospect defined by Kennecott Exploration in the early 1970's. Nickel/copper sulphides were intersected immediately adjacent to a troctolitic dyke. The dyke, which is approximately 16 kilometres long, represents a high priority target by analogy to the giant Voisey's Bay nickel copper deposit where all significant sulphide mineralisation is hosted by troctolitic intrusions.

Work programs comprising regional reconnaissance surveys for ELs 9407, 5702, 9443 and 9741 located in the northern Musgrave Block of the Northern Territory have been prepared by Independence Gold and field work is expected to commence soon after the programs have been approved by the traditional owners in June, 2002.

Queensland

1. DUCK CREEK - CLONCURRY

EPMS 13273 and 13336 (95%)

The Company has been granted an exploration permit for minerals (EPM 13336) covering approximately 130 square kilometres in an area south-west of Cloncurry known as Duck Creek which contains a number of copper and gold prospects. Anomalous cobalt and bismuth contents have also been reported in the area. Another permit (EPM 13273) covering approximately 6 square kilometres in the same area has also been granted. An access agreement for both EPMs has been finalised with the Mitakoodi People and the Kalkadoon People who are the registered native title applicants for the area. Exploration will commence once work area clearances are completed. An initial field reconnaissance sampling and mapping survey has been designed to locate areas suitable for ground geophysical surveys to be undertaken to define drill targets.

South Australia

1. MUSGRAVE BLOCK

PITJANTJATJARA LANDS

ELAs 198/96, 260/96, 262/96 (50%) and ELAs 336-343/96, 534/96, 35/99 (100%)

The thirteen ELAs located within the Pitjantjatjara Lands cover an area of 16,080 square kilometres and have been selected on the basis of regional geophysical and geological data as well as previous exploration results. Priority targets for exploration are:

- stratiform copper, lead, zinc deposits in basement metasediments similar to Mount Isa and Broken Hill ore deposit models;
- copper/gold deposits in Adelaidean Sediments which outcrop along the southern margin of the Musgrave Block;
- placer concentrations of platinum and possible associated gold in Tertiary palaeo-drainage systems;
- nickel, copper and cobalt associated with ultramafics similar to that intersected by Western Mining Corporation at the Nebo and Babel prospects in Western Australia; and
- gold in shear zones.

The Company is awaiting permission from the Minister for Primary Industries and Resources to negotiate with Anangu Pitjantjatjara for permission to carry out exploration.

NON-PITJANTJATJARA LANDS

EL 2245 and EL 2435 (100%)

Exploration licence EL 2910 (formerly EL 2245), De Rose Hill, and exploration licence EL 2435, Ungalootanna Hill, are located in the eastern Musgrave Block region of South Australia. Prospective rocks of Archaean and Proterozoic ages outcrop within the area and anomalous copper, gold, uranium and nickel grades have been reported in equivalent rock units in adjacent areas.

Exploration targets have been defined and the Company has initiated negotiations with native title parties to formulate an agreement to allow exploration work to be undertaken. Exploration within these licence areas will be funded by Independence Gold NL under our joint venture



agreement.

2. GAWLER CRATON

EL 2899 (100%)

EL 2899 is located in the northern Gawler Craton and contains a regional magnetic anomaly and targets defined by previous calcrete sampling. The area is considered prospective for iron-oxide-copper-gold mineralisation similar to Olympic Dam and Broken Hill silver lead zinc mineralisation. The Company is currently in discussion with other parties interested in participating in the exploration of this licence area.

3. OTHER SOUTH AUSTRALIAN AREAS

MOUNT OGILVIE

ELA 7/02 (100%)

ELA 7/02 (formerly EL 2267) covers an area of approximately 240 square kilometres and is located 30 kilometres north-east of Leigh Creek in the northern Flinders Ranges. High grades of gold and silver have been mined from the area with ores of cobalt, nickel and arsenic.

The Company is investigating options regarding exploration of the area including participation by other parties.

Northern Territory

1. MUSGRAVE BLOCK NORTH

EAST BLOODS RANGE AND PETERMANN JOINT VENTURE

ELs 9407 (100%) and 5702, 9443 and 9741 (up to 75%)

ELAs 9863 (100%), 5701, 5703, 6847, 9740, 10315, 22687, 22688, 22689, 22690 and 22710 (up to 75%)

The tenements are located in the northern Musgrave Block and are considered prospective for base metals, silver and gold. Base metal occurrences (copper and lead) in quartz filled shear zones with some gold and silver were reported in ELA 5701 by the Bureau of Mineral Resources during a reconnaissance survey carried out during 1962. A sample from an undeformed quartz vein collected recently by the Northern Territory Department of Mines and Energy from within ELA 5701 has reported anomalous silver (89 gms/tonne), lead (2.1%), copper (1.9%) and gold (101 ppb). Elevated chromium (550 ppm) and nickel (1,000 ppm) have been reported for a sample of laterised peridotite collected to the south of the ELAs.





Exploration licence EL 9407, located in the Musgrave Block region of the Northern Territory, was granted to Goldsearch during the quarter for a period of six years. An additional three exploration licences, ELs 5702, 9443 and 9741, located in the same vicinity were subsequently granted on 14 January, 2002. Goldsearch holds 100% equity in EL 9407 and can earn up to a 75% interest in ELs 5702, 9443 and 9741.

ELs 5702, 9407, 9443 and 9741 have been granted and cover an area of approximately 1,900 square kilometres. A number of exploration targets based on circular magnetic features considered prospective for copper-gold-iron oxide ore deposit models similar to Olympic Dam and sediment hosted styles of base metal mineralisation similar to that of the Zambian Copper Belt have been defined. Targets with potential for gold bearing polymetallic quartz lodes will also be investigated. Independence Gold NL will fund and manage exploration on behalf of Goldsearch and its joint venture partners. Work area clearances are scheduled to be conducted by the traditional owners in early June and it is expected that field exploration operations will be commenced in late June.

Proposals for the consent to the granting of an exploration licence have been submitted to the Central Land Council in respect of ELAs 22687, 22688, 22689 and 22690.

Goldsearch has received a notice of application to grant exploration licence 22710 from the Northern Territory Department of Mines and Energy and a draft native title agreement has been received from the Central Land Council concerning this area.

2. MOUNT PATRICIA ELA 9636 (100%)

The application is currently under veto following a decision by the Central Land Council to refuse to consent to the grant of an exploration licence. The Company intends to recommence negotiations for an exploration licence after 22 October, 2002 in accordance with statutory procedures.



INTERNET AND COMMUNICATION TECHNOLOGY INVESTMENTS

1. CAPIX.

Capix is continuing to market and develop banking, broking and corporate treasury software systems and has been developing systems for the delivery of financial services on the internet. Goldsearch has purchased a 14.8% interest in Capix. Due to the downturn in the technology sector the directors of Goldsearch have decided not to commit any additional funding and to realise the investment in Capix. Full provision for diminution in the value of this investment was made in the Company's accounts at 30 June, 2001.

2. VISIONZOOM AUSTRALIA

The Company's arrangements with VisionGlobal expired during the previous quarter. There is no financial effect on the quarter's result as the costs associated with VisionGlobal were fully provided against in the Company's accounts at 30 June, 2001.

STATEMENT

Technical information relating to exploration projects in this report was prepared by Mr N.L. Kennedy, B.Sc, MAusIMM, General Manager-Exploration of the Company and accurately reflects the information compiled by him.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity
Goldsearch Limited

ACN or ARBN		Quarter ended ("current quarter")
006 645 754		31 March 2002

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for	(69)	(186)
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	(108)	(372)
	(d) administration		
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	8	18



1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) - funds received during the quarter from settlement of litigation	76	76
	Net operating cash flows	(93)	(463)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(93)	(464)

1.13	Total operating and investing cash flows (brought forward)	(93)	(464)
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Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	500	1,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	500	1,000
	Net increase (decrease) in cash held	407	536
1.20	Cash at beginning of quarter/year to date	603	474
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,010	1,010

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	17
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	





- Directors' fees & expenses	12,758
- Directors' superannuation	896
- Legal fees paid to Landerer & Company (J Landerer)	3,664

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
	N/A

2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
	N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	N/A
3.2	Credit standby arrangements	Nil	N/A

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	150
4.2	Development	-





Total	150
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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	996	589
5.2	Deposits at call	14	14
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	1,010	603

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL 2245	Exploration licence of approx. 1,673 square kilometres replaced by EL 2910	100%	0%
		EL 2213	Exploration licence of approx. 766 square kilometres replaced by EL 2899	50%	0%

6.2	Interests in mining tenements acquired or increased	EL 2910	Exploration licence of approx. 1,673 square kilometres	0%	100%
		EL 2899	Exploration licence of approx. 340 square kilometres	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (cents) (see note 3)	Amount paid up per security (cents) (see note 3)
7.1	Preference ⁺ securities (description)	Nil	N/A	N/A	N/A
7.2	Changes during quarter				
	(a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A	N/A
7.3	⁺ Ordinary securities	145,967,479	145,967,479	N/A	N/A
7.4	Changes during quarter				
	(a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,000,000 Nil	10,000,000 N/A	N/A N/A	N/A N/A
7.5	⁺ Convertible debt securities (description)	Nil	N/A	N/A	N/A

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil	N/A N/A	N/A N/A	N/A N/A
7.7	Options (<i>description and conversion factor</i>)	106,607,369 12,000,000 1,000,000 1,000,000 <u>1,000,000</u> <u>121,607,369</u>	106,607,369 Nil Nil Nil <u>Nil</u> <u>106,607,369</u>	<i>Exercise price</i> 20 cents 15 cents 10 cents 20 cents 30 cents	<i>Expiry date</i> 31/07/02 15/07/04 15/07/04 15/07/04 15/07/04
7.8	Issued during quarter	Nil	N/A		
7.9	Exercised during quarter	Nil	N/A		
7.10	Expired during quarter	Nil	N/A		
7.11	Debentures (<i>totals only</i>)	Nil	N/A		
7.12	Unsecured notes (<i>totals only</i>)	Nil	N/A		

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 30 April, 2002
(Company secretary)
Print name: P S HEWSON

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities .
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

