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29 April 2003

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

Via ASX Online

Number of pages - 11

Dear Sir,

Re: Report for the quarter ended 31 March 2003

Enclosed please find the quarterly report and duly completed Appendix 5B for Goldsearch Limited for the quarter ended 31 March 2003.

Yours faithfully,



P S Hewson
Secretary

Quarterly report for the period ended 31 March 2003

SUMMARY

Musgrave Block project

Independence Gold NL earning 51% in Goldsearch Limited's equity interest

In the South Australian DeRose Hill sector (EL2910) of the Musgrave Block, heritage clearance for a first pass geochemical sampling visit was completed in late March. Sampling will commence in April 2003 to follow up extensive nickel and cobalt geochemical anomalism defined by previous explorers in the early 1970's.

In the Northern Territory region of the Musgrave Block an orientation geochemical sampling program and study completed during the December quarter enabled Independence Gold NL to formulate an effective and logistically simple sampling strategy for the region. Results from this study confirm the viability of wide spaced reconnaissance sampling techniques which will allow rapid assessment of areas where prospective targets are typically covered by significant amounts of wind blown, aeolian desert sands.

The Company is expecting exploration licences to be granted shortly for ELAs 5701 and 5703. These areas are regarded as being highly prospective for silver, copper and gold.

Hawks Nest project

Phelps Dodge Australasia Inc (PDA), our joint venture partner, has continued work on exploring the base metal potential of the Hawks Nest tenement (EL 2899) which covers an area of 324 square kilometres in the Gawler Craton region of South Australia. A drilling program is expected to start during June/July 2003 as soon as the final TEM ground survey has been completed and analysed.

Rheola project

During the quarter Goldsearch entered into a joint venture agreement with Rheola Gold Mining Company Pty Ltd to undertake a drilling program to explore the gold potential of the Matrix Reef located 43 kilometres west of Bendigo in Victoria. A nine hole 786 metre percussion (RAB) drill program was completed on 8 March 2003. The mining lease includes the continuation of the Matrix Reef system that was one of Victoria's richest gold mines producing in excess of 23,000 ounces of gold from only 50 metres of reef.

Corporate

On 11 February 2003 the Company announced a proposed rights entitlement issue to all shareholders.

The prospectus for the 1 for 4 non-renounceable rights issue of 36,491,869 new shares together with 36,491,869 attached options at an issue price of 4 cents per share and option was completed and mailed to shareholders on 24 March 2003.

EXPLORATION ACTIVITIES

Independence Gold NL joint venture

A major work program is expected over coming months with exploration licences expected for ELAs 5701 and 5703 in the Northern Territory portion of the Musgrave Block. Both tenements have attractive targets that were identified by previous work done in the 1970's and have been confirmed by geophysical interpretation carried out by Independence Gold NL.

In the South Australian Musgrave region, work will commence in April 2003 at DeRose Hill (EL 2910) with the intention of following up extensive nickel and cobalt geochemical anomalies found by previous explorers over 20 years ago.

After the brief reconnaissance visit to four exploration licence areas covering approximately 1,765 square kilometres of the Northern Territory portion of the Musgrave Block in November 2002, the first visit to the region by a company geologist in over 20 years, Independence Gold NL decided to rationalise the joint venture tenement areas and has reduced its position from 31 licence areas and applications to 20.

The following table summarises priority exploration targets currently defined;

Target model	Commodity	Number 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
Kimberlite, lamproite diatremes (Argyle AK1)	diamonds	3

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.

In the Northern Territory region of the Musgrave Block an orientation geochemical sampling program and study completed during the December quarter enabled Independence Gold NL to formulate an effective and logistically simple sampling strategy for the region. Results from this study confirm the viability of wide spaced reconnaissance sampling techniques which will allow rapid assessment of areas where prospective targets are typically covered by significant amounts of wind blown, aeolian desert sands. Following an assessment of reprocessed geophysical data based on ground observations made during the December 2002 reconnaissance visit, Independence Gold NL has rationalised its ground position in this region of the Musgrave and has reduced its position to 20 licence areas and applications from an initial 31. Independence Gold NL is now earning an interest in approximately 23,000 square kilometres of this under-explored region.

Queensland

DUCK CREEK - CLONCURRY EPMs 13273 and 13336 (95%)

The Company's consultant geologist is reviewing all data in relation to this prospect and is preparing an assessment of the prospectivity of the area. During the quarter EPM 13273 lapsed and a new application has been submitted.

South Australia

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

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



**MUSGRAVE BLOCK
NON-PITJANTJATJARA LANDS
ELA 2910 (100%) and EL 3031 (100%)**

Exploration licences EL 2910 (formerly EL 2245) De Rose Hill and EL 3031 (formerly EL 2435) Ungalootanna Hill are located in the eastern Musgrave Block region of South Australia. Heritage clearances were completed at De Rose Hill in late March and a sampling program commenced in April 2003 to follow up extensive nickel and cobalt anomalies defined previously. Exploration within these licence areas will be funded by Independence Gold NL under the joint venture agreement.

**GAWLER CRATON
HAWKS NEST
EL 2899 (100%)**

EL 2899, which covers an area of 324 square kilometres is located in the northern sector of the Gawler Craton in South Australia approximately 100 kilometres north-west of Coober Pedy. The area contains a regional magnetic anomaly and targets defined by previous calcrete sampling and is considered prospective for iron oxide-copper-gold mineralisation similar to Olympic Dam and Broken Hill silver-lead-zinc mineralisation.

During the March 2003 quarter personnel from Phelps Dodge Australasia Inc. (PDA), our joint venture partner, continued their TEM work and have identified 3 targets. A drilling program is expected to start during June/July 2003 as soon as the final TEM ground survey has been completed and analysed. Under the terms of the joint venture agreement, PDA can earn up to 70% equity in the tenement by contributing \$4,000,000 in exploration expenditure.

**OTHER SOUTH AUSTRALIAN AREAS
MOUNT OGILVIE
EL 2933 (100%)**

EL 2933 (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

**MUSGRAVE BLOCK NORTH
EAST BLOODS RANGE AND PETERMANN JOINT VENTURE
ELs 9407 (100%) and ELs 5702, 9443, 9741 and 22710 (up to 75%)
ELA 9863 (100%), and ELAs 5701, 5703, 6847, 9740, 10315, 22687, 22688, 22689 and 22690 (up to 75%)**

These 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 from a sample of laterised peridotite collected to the south of the ELAs.

We are expecting exploration licences to be granted shortly for ELs 5701 and 5703. It is expected that this will enable a continuation of the exploration program beyond the current cleared areas with a substantial increase in target areas by July 2003.

ELs 9741, 22710 and ELAs 9740, 6847, 9863, 9636, 10315, 22687-88-89-90 were returned to the Goldsearch /Allender, Hosking, LeBrun Partnership during the quarter. After the December 2002 visit to the region Independence Gold NL decided to rationalise its ground position and returned the above tenements to the partnership. This rationalisation was based on Independence Gold NL's policy to focus on high priority gold, silver, copper and nickel prospects.

New South Wales

MORUYA GOLD MINES EL 6027 (100%)

A meeting was held during the quarter with members of the local Walbunga people to advance the opportunity for exploration. A further meeting is scheduled and it is expected that ground surveys and geochemical sampling will commence during the coming quarter.

Victoria

RHEOLA PROJECT

During the quarter Goldsearch entered into a joint venture agreement with Rheola Gold Mining Company Pty Ltd to undertake a drilling program to explore the gold potential of the Matrix Reef located 43 kilometres west of Bendigo in Victoria. A nine hole 786 metre percussion (RAB) drill program was completed on 8 March 2003. The mining lease includes the continuation of the Matrix Reef system that was one of Victoria's richest gold mines producing in excess of 23,000 ounces of gold from only 50 metres of reef. Additionally the valleys and run off from the slopes surrounding the reef supplied 30% of the large nuggets found in Victoria at the time and weighing up to 860 ounces (current value approximately AUD\$460,000).

The objective of the drilling program was to confirm the existence of potential gold bearing reefs at three levels and this was achieved. Drilling located the Matrix Reef in every hole. It was present as a 3 to 7 metre thick parcel of closely spaced veins that dip 55-60° west and intersected from 2 to 70 metres depth. The 1-2 metre thick, light coloured indicator zone of bleached and altered clay with sericite-chlorite alteration was present both adjacent to the Matrix Reef and also in narrower zones adjacent to other quartz vein systems. Other quartz veins are present in most holes at 2-9 metres, 26-29 metres, 48-60 metres and 74-80 metres. Iron oxide zones (or alteration zones) are more prominent in the east holes along each line. The importance of the alteration/indicator and quartz reef association is that in 2002 Rheola Gold Mining Company Pty Ltd found coarse gold in quartz surrounded by iron oxides.

The Company is now assessing the results and planning future action.

ST ARNAUD ELA 4669 (100%)

The St Arnaud prospect is located 100 kilometres west of Bendigo in Victoria. The area covered by the exploration licence application includes the Lord Nelson reef system that was one of the top twenty Victorian gold mines and produced in excess of 10 tonnes (330,000 ounces) of gold to 733 metres depth. Gold was still being mined from an open-cut on the north-west extension of the Lord Nelson reef system (the Comstock lode) as recently as 1997. The Company's geologists have identified a cross faulted structure that extends for many kilometres on either side of the Lord Nelson reef system with anomalous surface geochemical and co-incident geophysical images. Once the application is granted and agreements finalised with the local traditional owners we would expect to commence an exploratory drill program almost immediately on identified targets.

OTHER JOINT VENTURE OPPORTUNITIES

Now that Goldsearch Limited is perceived to be active in the Victorian Goldfields area we have been approached by several other companies with tenements containing gold resources who have offered their areas for joint venture. We are currently evaluating joint venture opportunities on five very prospective exploration tenements.

TECHNOLOGY INVESTMENTS

CAPIX

Goldsearch retains a 14.8% minority interest in Melbourne based IT software company Capix. The company is in the process of establishing a representative office in Kuala Lumpur Malaysia. Contracts for the new product CAPIX Treasury Centre (CTC) are being actively pursued with the first sale of this very advanced product being made to Amcor Limited with significant ongoing consulting revenue expected. Another new software package for Funds Managers, CAPIX Investment Manager (CIM), has been installed in two existing client sites and the first new sale was made recently to a small Melbourne funds management operation. Interested shareholders may wish to visit the Capix website at www.capix.com.au.



STATEMENT

Technical information relating to exploration projects in this report was prepared by Mr David Hawley, Grad Dip Env Sc, B.Geo Sc (Hons), MAusIMM, AIG and accurately reflects the information compiled by him. Mr Hawley has over five years ore reserve estimation experience and complies with the JORC code for ASX reporting of company reserves and resource estimates.

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

ABN or ARBN

73 006 645 754

Quarter ended ("current quarter")

31 March 2003

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(143)	(238)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(119)	(388)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net operating cash flows		(258)	(609)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	(4)
	(c) other fixed assets	(1)	(1)
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)	(5)
1.13	Total operating and investing cash flows (carried forward)	(259)	(614)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(259)	(614)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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	-	-
	Net increase (decrease) in cash held	(259)	(614)
1.20	Cash at beginning of quarter/year to date	436	791
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	177	177

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	69
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	37,486
- Directors' superannuation	2,759
- Legal fees paid to Landerer & Company (J Landerer)	28,677

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

+ See chapter 19 for defined terms.

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

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	142	412
5.2 Deposits at call	35	24
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	177	436

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	EPM 13273	Exploration permit for minerals over an area of 6 square kilometres at Cloncurry River Queensland	100%	0% #
6.2 Interests in mining tenements acquired or increased	Nil	N/A	N/A	N/A

a renewal application has been lodged for this tenement

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 <i>(description)</i>	Nil	N/A	N/A	N/A
7.2 Changes during quarter				
(a) Increases through issues	N/A	N/A	N/A	N/A
(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	Nil	Nil	N/A	N/A
(b) Decreases through returns of capital, buy-backs	Nil	N/A	N/A	N/A
7.5 +Convertible debt securities <i>(description)</i>	Nil	N/A	N/A	N/A
7.6 Changes during quarter				
(a) Increases through issues	Nil	N/A	N/A	N/A
(b) Decreases through securities matured, converted	Nil	N/A	N/A	N/A
7.7 Options <i>(description and conversion factor)</i>	12,000,000	Nil	<i>Exercise price</i> 15 cents	<i>Expiry date</i> 15/07/04
7.8 Issued during quarter	Nil	N/A		
7.9 Exercised during quarter				
7.10 Expired during quarter	Nil	N/A	N/A	N/A
7.11 Debentures <i>(totals only)</i>	Nil	N/A		
7.12 Unsecured notes <i>(totals only)</i>	Nil	N/A		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 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:


(Company secretary)

Date: 29 April 2003

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.

+ See chapter 19 for defined terms.