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14 February 2003

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY
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By facsimile to 1300 300 021

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Dear Sir,

Re: Joint venture with Rheola Gold Mining Company Pty Ltd to explore the gold potential of the Matrix Reef west of Bendigo, Victoria

Goldsearch Limited has 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. An announcement is attached for release to the market.

For and on behalf of the board of directors of
Goldsearch Limited

P. Hewson

Paul S Hewson
Secretary

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ANNOUNCEMENT

14 February 2003

Joint venture with Rheola Gold Mining Company Pty Ltd to explore the gold potential of the Matrix Reef west of Bendigo, Victoria

Goldsearch Limited has entered into a joint venture agreement with Rheola Gold Mining Company Pty Ltd (Rheola Gold) to earn an interest in its mining tenements, which are located at MacIntyre close to Rheola approximately 45 kilometres west of Bendigo in Victoria.

The tenements (MLs 5093 and 5309) cover an area of approximately 104 hectares and are a continuation of the Old Matrix mine.

Terms of the Joint Venture Agreement are as follows:-

- Goldsearch to fund an initial $50,000 drilling program to substantiate previous results and confirm the location of the reef structures.
- There is thereafter the provision for four additional options for equal payments of $150,000 each to progress the project and earn Goldsearch Limited equity in the tenements to a level of 49%.
- The joint venture expenditure program to $650,000 is to be completed within 21 months.
- Goldsearch then has the option to take its interest to 100% of Rheola Gold's interest (which will be no less than 90% in respect to one tenement and no less than 95% in respect to the other) in the tenements by the issue of 8 million fully paid shares and 4 million options subject to shareholders approval, ASX listing rules and, in relation to the options, whether there are listed options available at the time.
- Drilling at the joint venture prospect at Rheola will commence as soon as a suitable drilling rig can be mobilised. This is expected within the next 3 weeks.

Gold was originally mined in this area from near surface, after following mineralised outcrop, in what could be described as in "bonanza" proportions. In excess of 20,000 ounces of gold was mined from the area, worth more than $12 million at current prices, from only 50 metres of reef section.

Present day technology indicates that the early miners may have terminated their operations prematurely and that the reef quartz target continues to the north. This apparent opportunity was not investigated until Rheola Gold acquired the contiguous New Matrix tenement (ML5093) as well as the Northern tenement (ML5309). Both tenements cover a distance of nearly 2 kilometres to the north of the Old Matrix mine.

Rheola Gold commenced exploration on the New Matrix tenement, which apart from its proximity to the Old Matrix mine has several other interesting characteristics. Historical records show that 8 large nuggets ranging in weight from 75 to 860 ounces were taken from the 4 gullies that surround and drain the tenement and a considerable quantity of alluvial gold was also mined further along the gullies. The gold found in the Old Matrix mine occurred where there was a convergence of 3 specific geological factors along an indicator (or longitudinal fault). Field exploration work has revealed that the indicator not only runs northwards through the New Matrix tenement but also continues to the north for a distance of up to 2 kilometres.

A shaft sunk along the line of the indicator on the New Matrix tenement encountered 1 metre of rich gold at a depth of 15 metres with a grade of about 30 ounces per tonne. This is similar to the grade in the Old Matrix mine and provides a sense of confidence that the mineralisation continues at different levels.

The geometry of the Old Matrix reef suggests that the reef continued into the New Matrix tenement at a depth of roughly 55 metres. The drilling of 2 diamond drill holes by Rheola Gold located a northward dipping structure that is likely to be the continuation of the Old Matrix reef.

Importantly, these drill holes also intersected another quite large structure, possibly extending both north and south at a depth of 85 metres.

It is also interesting to note that at the time early mining was terminated Mr Dunn, the Victorian Government Geologist in 1890, urged miners to continue to explore what he considered to be a north dipping continuation of the reef.

The directors of Goldsearch look forward to a successful exploration relationship with Rheola Gold.

For further information contact:

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