Goldsearch Limited
ABN 73 006 645 754

Level 4
20 Loftus Street
SYDNEY
NSW 2000
Telephone: (02) 9241 5999 Fax: (02) 9241 5599
email: gold@goldsearch.com.au

gsh/psh/gsh688

30 January 2007

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

Via ASX Online

Number of pages – 16

Dear Sir,

Re: Quarterly activity report to 31 December 2006

Enclosed for release to the market is the Company's activity report for the quarter ended 31 December 2006 together with a duly completed Appendix 5B report.

For and on behalf of the directors of
Goldsearch Limited

P S Hewson
Secretary

Goldsearch Limited
A.B.N.73 006 645 754

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SYDNEY
NSW 2000

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QUARTERLY REPORT
(Quarter ended 31 December 2006)

MAJOR DEVELOPMENTS

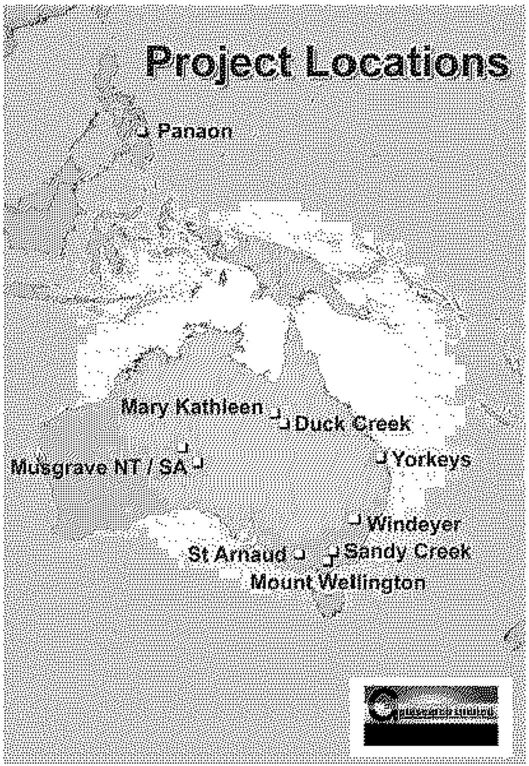
- Encouraging results from initial first pass drilling at the Elaine Dorothy and MacGregor targets at Mary Kathleen.

- Best result of 1 metre at 0.047% U_3O_8 and 0.988% Rare Earth Oxides at Elaine Dorothy.

- Wide zones (100 metres) of elevated uranium (0.004% *e*U_3O_8) at the MacGregor target.

- Expanded exploration programs and budget for Mary Kathleen are being finalised with work to commence immediately once approved.

- Work programs lodged for initial programs at Mount Wellington in Victoria. Geophysical programs expected to commence in March 2007 quarter with RC drilling of targets commencing soon after.



- Goldsearch and Independence Group have entered into an agreement in principle with BHP Billiton whereby BHP Billiton will earn a 65% interest in the Musgrave Joint Venture in South Australia. BHP Billiton will fund up to $25million in exploration to earn its interest.

QUEENSLAND

MARY KATHLEEN PROJECT (Goldsearch earning 75%)
(uranium, copper, gold)

The Mary Kathleen Project is a joint venture between Goldsearch Limited and Central West Gold NL. Goldsearch is currently earning a 75% interest in the project.

Encouraging assay results have been received for first-pass, reverse circulation drilling of two target areas completed at the Mary Kathleen Project in late December 2006. A total of five close-spaced holes were drilled at the Elaine Dorothy target located 6 kilometres south and along strike from the former Mary Kathleen Uranium Mine. Two holes were drilled at the MacGregor target located 20 kilometres south-west from the Mary Kathleen Uranium Mine.

Mary Kathleen Project drill hole location data

Target	Hole	North (GDA94 Z54)	East (GDA94 Z54)	Dip	Azimuth	Total depth
		metres	metres	degrees	degrees	metres
Elaine Dorothy	MKRC01	7699413	398344	-60	204	132
Elaine Dorothy	MKRC02	7699413	398344	-80	220	138
Elaine Dorothy	MKRC03	7699445	398348	-60	244	132
Elaine Dorothy	MKRC04	7699444	398346	-70	160	126
Elaine Dorothy	MKRC05	7699294	398499	-60	210	96
MacGregor	MKRC06	7686399	388679	-60	90	100
MacGregor	MKRC07	7686797	388767	-60	90	100

Based on preliminary on-site scintillometer readings of drill samples, those which returned an *eU* (estimated uranium content) of greater than 0.005% (50ppm) were sent to ALS laboratories in Brisbane for analysis. Samples were assayed for a multi element suite of 27 elements by the ICP-AES method, uranium was also determined by the XRF method. This was a broad, first-pass assaying exercise to determine elemental relationships and mineralisation styles and it is anticipated that, based on the results, further assaying of the samples is required for elements not included in the standard multi-element suite including gold (Au), thorium (Th) and a number of specific rare earth elements (REE).

Elaine Dorothy

At Elaine Dorothy the close-spaced drilling was designed to test surface indications of Mary Kathleen-style uranium mineralisation at a depth of between 50 and 100 metres below surface. The drilling intercepted two individual zones of uranium and rare earth element (cerium (Ce) and lanthanum (La)) mineralisation. The mineralisation is hosted by the Corella Formation an altered meta-carbonate sequence with minor metamorphosed mafic volcanic rocks.

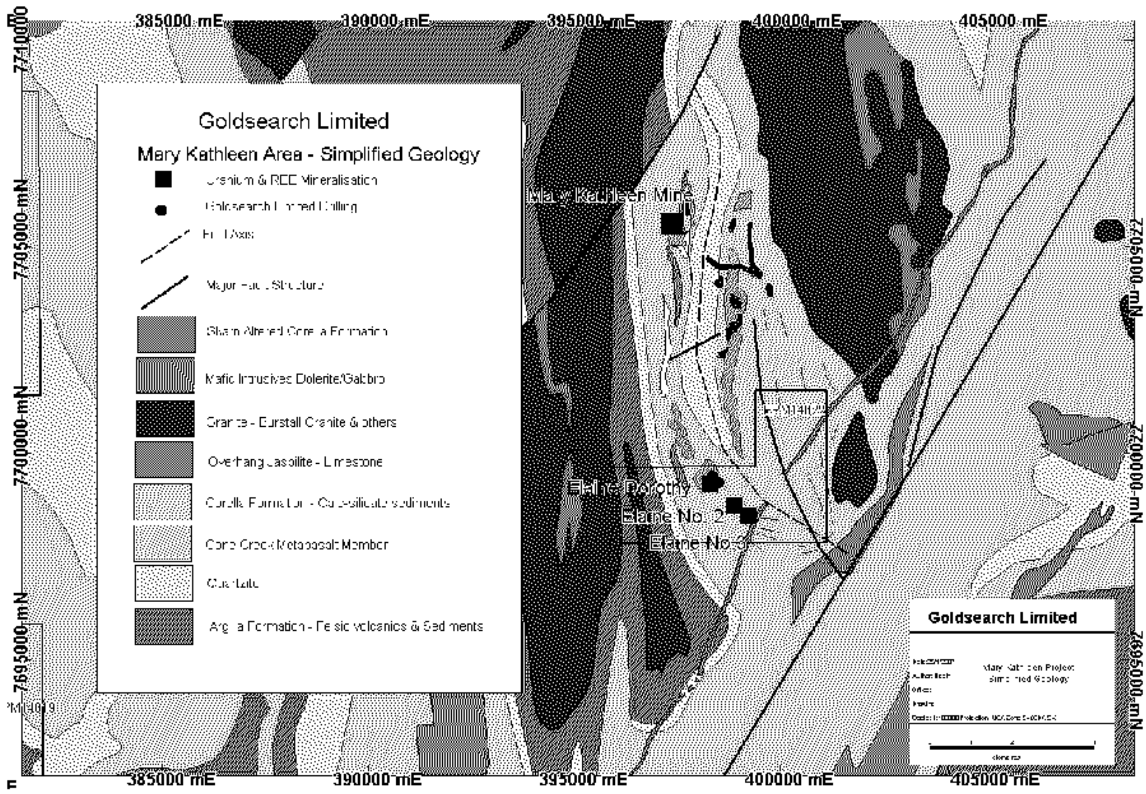
The mineralisation style and host sequence is consistent with the nearby Mary Kathleen Uranium Mine and, as at Mary Kathleen, the higher grade mineralisation appears to be associated with the presence of the mafic volcanic rocks within the sequence. Of the five holes drilled at Elaine Dorothy only one hole, MKRC04, appears to have intercepted the mafic volcanic rocks down hole. This hole was the eastern-most hole drilled at the prospect and further surface mapping and sampling is expected to commence in the next few weeks to better understand the distribution of the mafic volcanics in the target area. Additional drilling will be undertaken to further evaluate the target once surface exploration is completed and relevant approvals can be put in place. Additional assaying is also required to better determine total rare earth element concentrations.

Elaine Dorothy Target drilling results

Target	Hole	From	To	Intercept	Uranium	Rare Earth Oxides	Copper
		metres	metres	metres	U3O8*	Ce2O3* + La2O3*	Cu
					%	%	ppm
Elaine Dorothy	MKRC01	53	57	4	0.013	0.646	
Elaine Dorothy	MKRC02	52	53	1	0.019	0.284	
Elaine Dorothy	MKRC03	84	86	2	0.011	0.192	
Elaine Dorothy	MKRC03	94	100	6	0.012	0.234	455
Elaine Dorothy	MKRC04	67	68	1	0.029	1.073	
Elaine Dorothy	MKRC04	71	72	1	0.022	0.460	
Elaine Dorothy	MKRC04	83	84	1	0.047	0.988	

U3O8, Ce2O3 and La2O3 values are calculated values based on element to oxide conversion factors of 1.179 for uranium, 1.171 for cerium and 1.173 for lanthanum.

Based on the positive results from the first-pass drilling at Elaine Dorothy, surface sampling will also commence at the Elaine 2 and Elaine 3 uranium prospects with the aim of defining drilling targets. These prospects are located 500 metres and 1 kilometre along strike from the Elaine Dorothy prospect. At these prospects limited work by previous explorers has also recognised minor occurrences of uranium mineralisation at surface.



Elaine Dorothy Target - Simplified geology

MacGregor

At the MacGregor target two wide-spaced holes were drilled to test a broad 1800 metre long by 300 metre wide, coherent scintillometer anomaly associated with a thick carbonaceous shale unit of the White Blow Formation. This carbonaceous shale is exposed along the eastern limb of a small synclinal fold structure. The location of the two first-pass holes was limited to the central and northern part of the anomaly due to rugged topography at the southern, fold closure end of the structure.

Both drill holes intercepted carbonaceous shale to final depth at 100 metres, based on scintillometer sampling, both holes intercepted elevated *eU* values over essentially the entire depth of drilling. Subsequent limited assaying of highest *eU* readings returned peak assays over one metre from MacGregor of 52ppm uranium (U), 24ppm molybdenum (Mo) and 462ppm vanadium (V).

MacGregor Target drilling results

Target	Hole	From	To	Intercept	Uranium	Uranium
		metres	metres	metres	eU*	eU3O8*
					ppm	%
MacGregor	MKRC06	0	100	100	37	0.004
MacGregor	MKRC07	0	100	100	31	0.004

eU is the estimated uranium values based on scintillometer sampling, the eU3O8 value is a calculated value based on element to oxide conversion factor of 1.179 for uranium. Limited assay determined uranium values are consistent with eU values.

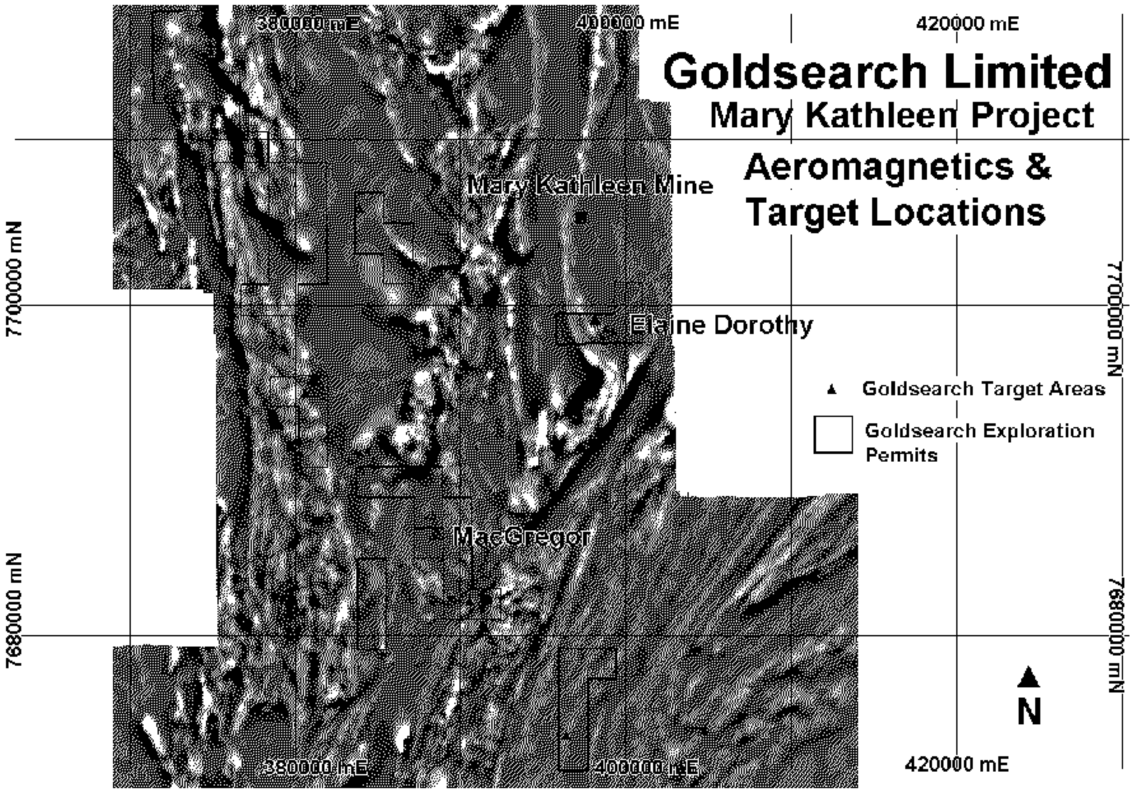
The very wide zones of low grade uranium mineralisation intercepted by the first pass drilling at MacGregor is encouraging and suggests the area may represent a potential stratabound hydrothermal alteration system. An apparent zoning towards higher uranium values at the southern end of the target has also been recognised along with minor occurrences of copper mineralisation identified during surface sampling at the southern end of the target which is yet to be drill tested.

This type of system could potentially be correlated to the U,REE system at the Mary Kathleen Mine or the recent Cu, Au, Mo, U, REE system discovered by Kings Minerals at Kalman 16 kilometres south of MacGregor. Such systems also have a potential genetic relationship to the Fe-oxide Cu, Au, U systems in the Mount Isa province, including Ernest Henry and Osborne among others.

Goldsearch is currently working towards establishing vehicle access to the southern end of the MacGregor target in order to allow further evaluation and drilling.

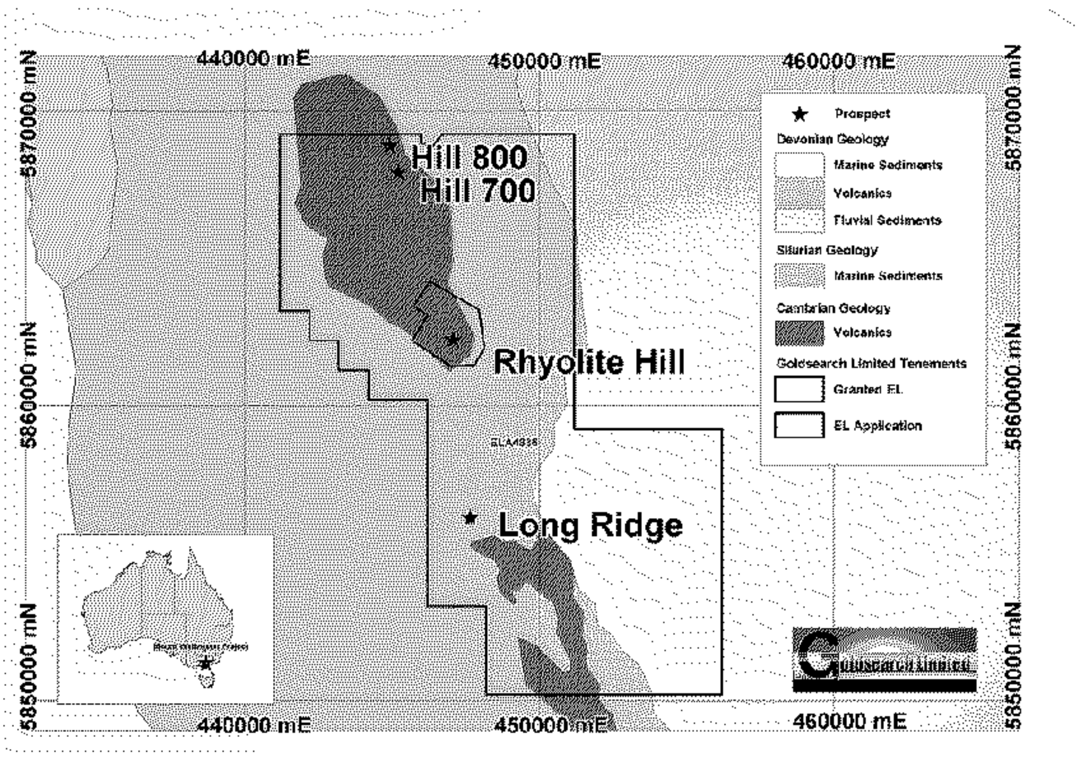
Regional targets

Based on the encouraging results from Elaine Dorothy and MacGregor first-pass exploration will commence at a number of other regional targets over the coming months.


Goldsearch Limited
Mary Kathleen Project
Aeromagnetics & Target Locations
380000 mE
400000 mE
420000 mE
7700000 mN
7680000 mN
Mary Kathleen Mine
Elaine Dorothy
MacGregor
Goldsearch Target Areas
Goldsearch Exploration Permits
N

VICTORIA

MOUNT WELLINGTON PROJECT (100% Goldsearch)
(gold,silver,copper)



Mount Wellington - Regional geology and main prospects

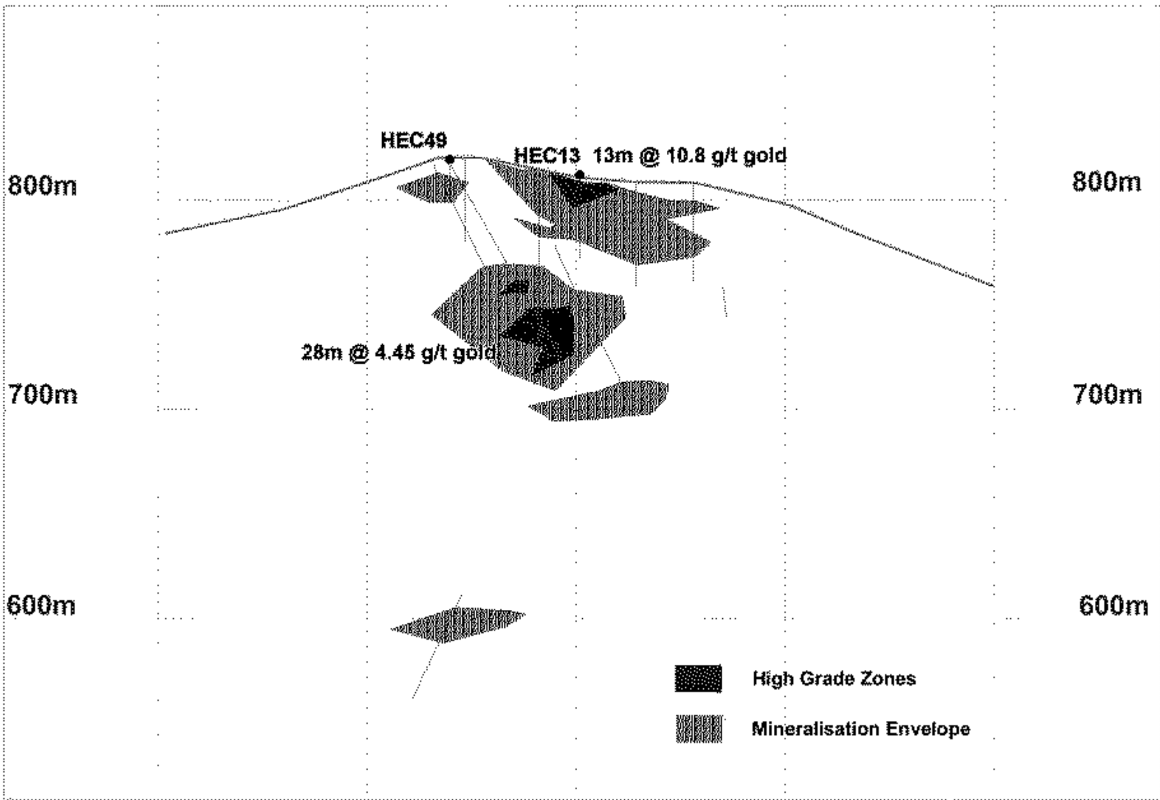
Work programs have been lodged with the Native Title parties for initial geophysical and drilling programs at Rhyolite Hill (EL4843). Previous exploration conducted at Rhyolite Hill has identified significant gold and silver mineralisation associated with an extensive precious and base metals alteration system. Better drilling results at Rhyolite Hill by previous explorers are 12.6 metres at 1.01 grams/tonne gold from six metres in hole RCK002 and 32 metres at 27.25 grams/tonne silver and 0.32 grams/tonne gold from 69.5 metres in hole RCK003. Following work program approvals, a program of IP geophysics followed by RC drilling of targets is scheduled to commence in March 2007.

Goldsearch is currently awaiting the outcome of negotiations for an Indigenous Land Use Agreement (ILUA) between the Mineral Council of Australia (Victoria) and Native Title parties which is relevant to its application for EL4835. EL4835 covers the Hill 800 prospect where drilling by previous explorers has returned numerous encouraging drilling results. Goldsearch currently anticipates completion of native title negotiations by the middle of 2007.

Hole ID	East (GDA94 zone 55)	North (GDA94 zone 55)	Intercept	Gold [g/t]	from (m)	to (m)
HEC1	444767.21	5868594.33	33	4.3	0	33
HEC8	444779.04	5868580.88	27	1.83	0	27
HEC13	444783.07	5868670.54	13	10.88	0	13
incl.			3	38.76	0	3
HEC18	444810.24	5868737.51	22	1.35	38	60
HEC45	444767.21	5868606.02	25	4.72	3	28
HEC48	444749.63	5868735.97	18	5.06	86	104
HEC49	444755.16	5868730.15	28	4.45	79	107
HEC8	444779.04	5868580.88	27	1.83	0	27
HED1	444769.74	5868585.84	32.2	4.28	0.5	32.7
			7	22.05	184	191
incl.			1	122	188	189
incl.			1	28.9	184	185

{Note: **g/t** = grams per tonne; **m** = metre}

Significant drill results Hill 800 Prospect.



Oblique drill section Mount Wellington, Hill 800 Prospect.

The Mount Wellington project covers an area of Cambrian age volcanic rocks in central-eastern Victoria where work by previous explorers has identified a number of areas of encouraging precious and base metal mineralisation. These rocks, and the styles of mineralisation identified, have numerous similarities to the Mount Read metallogenic province of Western Tasmania. Based on these similarities the Mount Wellington belt has been considered by many to represent geological equivalents to the Mount Read area.

SANDY CREEK PROJECT (100% Goldsearch)
(gold)

A proposed drilling program to test the high grade O'Dells gold target on EL4812, previously scheduled for the December 2006 quarter, has been delayed due to both lack of availability of suitable drill rigs and the ongoing extreme bush fire conditions in Victoria. The program is planned to test the potential for additional high grade mineralisation to be located based on the interpreted structural controls of the known mineralisation and is expected to completed by the end of the current quarter. Historical production from a number of small mines in the Sandy Creek area in the late 1800's and early 1900's is estimated to be 72,000 tonnes at an average grade of 50 grams per tonne gold.

ST ARNAUD (100% Goldsearch – Auselect Limited (Sedimentary Holdings) earning 75%)
(gold)

Goldsearch is awaiting advice on the proposed future programs from its current joint venture partner following the takeover of Sedimentary Holdings Limited by Auselect Limited in late 2006.

NORTHERN TERRITORY

BLOODS RANGE (Goldsearch earning 70%))
(gold, copper)

Auger geochemical results have been received for the program completed over high grade gold targets in EL5701. The results failed to define a target based on which a drilling program could be justified. Goldsearch is currently reviewing future programs on the basis of these results.

SOUTH AUSTRALIA

MUSGRAVE BLOCK SOUTH AUSTRALIA – (100% Goldsearch – Independence Group earning 51%)
(nickel, copper, gold)

Goldsearch announced to the ASX in the December 2006 quarter details of an agreement in principle whereby the existing joint venture with Independence Group will be rationalised and, following this, the parties will enter into an arrangement with BHP Billiton. The agreement will potentially see BHP Billiton earn a 65% interest in the Project via expenditure of $25m or delivery of a Feasibility Study (whichever comes first) within 10 years. Upon BHP Billiton earning its interest, equity in the project will comprise BHP Billiton 65%, GSE 17.15%, IGO 17.85%.

As part of the arrangement it is agreed that Independence Group will issue Goldsearch with 200,000 fully paid ordinary shares.

Anthropological work has been ongoing over four priority tenement areas and, following a meeting with relevant Traditional Owners in December 2006, a second meeting has been proposed for early 2007. This work is a key part of the final stages of having these priority tenements and access for exploration granted.

The joint venture has also received approval from the Minister for Mineral Resources Development to commence negotiations with the Anangu Pitjantjatjara Yankunyjatjara in relation to gaining access for exploration to an additional four tenement areas.

PHILIPPINES

PANAON ISLAND GOLD PROJECT (Goldsearch earning 50%)

(Gold)

No new exploration developments.

STATEMENT

Technical information contained in this report was prepared by Mr Greg Duncan and Mr Heath Hellewell, Consulting Geologists, who are Members of the Australasian Institute of Mining and Metallurgy and/or Geological Society of Australia, and accurately reflects the information compiled by them. Mr Duncan has in excess of 20 years relevant experience in mineral exploration and mine development, Mr Hellewell has 15 years of relevant experience, and they qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Duncan and Mr Hellewell consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98. 30/9/2001

Name of entity

Goldsearch Limited

ABN	Quarter ended ("current quarter")
73 006 645 754	**31 December 2006**

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (6 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	(253)	(503)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(210)	(353)
1.3	Dividends received		11	11
1.4	Interest and other items of a similar nature received		30	50
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other – JV Income		25	25
	Net operating cash flows		(397)	(770)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	(3)	(11)
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	312	312
		(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		309	301
1.13	Total operating and investing cash flows (carried forward)		(88)	(469)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(88)	(469)
	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) – issue costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(88)	(469)
1.20	Cash at beginning of quarter/year to date	1,432	1,813
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	1,344	1,344

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	96
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	68,514
- Directors' superannuation	5,086
- Legal fees paid to Landerer & Company (J Landerer)	22,451

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	N/A	N/A

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	350
4.2	Development	-
	Total	**350**

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	1,298	1,386
5.2	Deposits at call	46	46
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	1,344	1,432

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	EPMA 15257, South Mary Kathleen 2, QLD	Exploration licence application – granted during the current quarter – see 6.2 below	Held 100% by Central West Gold with Goldsearch earning up to 75%	0%
		EPMA 15850, Running Creek, QLD	Exploration licence application – granted during the current quarter – see 6.2 below	100%	0%
6.2	Interests in mining tenements acquired or increased	EPM 15257, South Mary Kathleen 2, QLD	Exploration licence granted for a period of 5 years covering an area of 2 square kilometres in the Mining District of Mount Isa.	0%	Held 100% by Central West Gold with Goldsearch earning up to 75%
		EPM 15850, Running Creek, QLD	Exploration licence granted for a period of 5 years covering an area of 47 square kilometres in the Mining District of Brisbane.	0%	100%

+ See chapter 19 for defined terms.

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	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**	274,814,022	274,814,022	N/A	N/A
7.4	Changes during quarter (a) Increases through issues	Nil	N/A	N/A	N/A
	(b) Decreases through returns of capital, buy-backs	Nil	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	N/A	N/A	N/A	N/A
	(b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A
7.7	**Options**			Exercise price	Expiry date
	Listed Options	91,604,674	91,604,674	5.0 cents	31 October 2007
	Unlisted Options:	800,000	-	5.5 cents	30 June 2007
		800,000	-	7.5 cents	30 June 2008
		400,000	-	10.0 cents	30 June 2009
		8,000,000	-	5.0 cents	31 January 2010
		8,000,000	-	7.5 cents	31 January 2010
7.8	Issued during quarter Unlisted Options	8,000,000	-	5.0 cents	31 January 2010
		8,000,000	-	7.5 cents	31 January 2010
7.9	Exercised during quarter	Nil	N/A	N/A	N/A
7.10	Expired during quarter	N/A	N/A	N/A	N/A
7.11	**Debentures** *(totals only)*	Nil	N/A		
7.12	**Unsecured notes** *(totals only)*	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: 30 January 2007

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.