

gsh/psh/gsh859

31 October 2012

The Manager - ASX Market Announcements
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

Via ASX Online

Number of pages – 16

Dear Sir,

Quarterly activity report to 30 September 2012

Enclosed for release to the market is the Company's activity report for the quarter ended 30 September 2012 together with a duly completed Appendix 5B report for the period.

For and on behalf of the directors of
Goldsearch Limited



P S Hewson
Secretary

QUARTERLY ACTIVITY REPORT

31 October 2012

for the quarter ended 30 September 2012

HIGHLIGHTS

Mary Kathleen, Queensland

- Elaine 1 JORC Resource updated to 27.7 million tonnes at 0.59% copper equivalent for contained metal content of 147,000 tonnes of copper and 74,000 ounces of gold.
- EH4 geophysical survey results encouraging, follow-up vertical drill-hole to test extension of Elaine Resource at depth.
- Drilling completed at newly identified copper gossan prospect at Elaine 2.
- Drill targets identified at Mt Frosty project.

Musgrave Province, South Australia

- New silver-lead-zinc joint venture project at Menninnie Dam, South Australia.
- Follow-up vacuum drilling program over geochemical targets at Deering Hills project commences.

Duck Creek, Queensland

- Queensland Mining Corporation releases maiden JORC resource at its Horseshoe prospect.

Goldsearch Limited

ABN 73 006 645 754

Level 4

20 Loftus Street

SYDNEY NSW 2000

MARY KATHLEEN JOINT VENTURE
(GSE 30% CYU 70%)

SUMMARY

During the quarter, Goldsearch Ltd (GSE) and joint venture partners Chinalco Yunnan Copper Resources Ltd (CYU) continued to advance exploration projects on their north Queensland tenements with the release of an updated resource of 27.7 million tonnes (Mt) with a contained metal content of 147,000 tonnes (t) of copper (Cu) and 75,000 ounces (oz) of gold (Au) at its Elaine copper-cobalt-gold prospect (EPM 14022).

Additional regional field programs have commenced targeting the Mary Kathleen shear zone, which is considered prospective for base and precious metals as well as rare earths and uranium. Exploration work for the quarter includes a recently completed drillhole at the newly identified copper gossan prospect in the Elaine 2 area. Further drill target delineation is underway with drilling of targets expected to commence in the December 2012 quarter.

ELAINE PROSPECT

At the end of the quarter, Independent resource consultants, Mine Development Associates (MDA) of Reno, Nevada USA, completed an updated resource estimate at Elaine 1 (**Table 1**). The resource estimate has been prepared in compliance with the disclosure and reporting requirements set forth in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Table 1. Elaine 1 Resource table at increasing copper equivalent (CuEq) (%) cut-offs

Cut-off CuEq	Tonnage	CuEq	Cu	Cu	Cu	Au	Au
(%)	(t)	(%)	(%)	(t)	('000 lbs)	(g/t)	(oz)
0.1	70,830,000	0.34	0.29	207,000	0.04	0.1	99,000
0.2	33,370,000	0.53	0.47	158,000	0.07	0.2	80,000
0.25	27,680,000	0.59	0.53	147,000	0.08	0.25	75,000
0.3	24,250,000	0.63	0.57	138,000	0.09	0.3	71,000
0.4	18,610,000	0.72	0.64	120,000	0.11	0.4	65,000
0.5	14,820,000	0.79	0.7	104,000	0.13	0.5	60,000
0.6	11,980,000	0.85	0.75	89,000	0.15	0.6	56,000
0.7	8,860,000	0.92	0.79	70,000	0.18	0.7	51,000
0.8	6,090,000	1	0.83	50,000	0.24	0.8	47,000

Notes to accompany resource estimate.

1. Geological modeling and data acquisition was undertaken by CYU geological staff.
2. Metal domain and block model with grade estimate prepared by Mr. Steven Ristorcelli C.P.G who is a full-time employee of Mine Development Associates.
3. Gold assays by 30-gram fire assay with AAS finish, copper, cobalt, uranium, thorium and other elements assays by multi-acid digestion with ICP-MS or ICP-AES; all assays undertaken by ALS Chemex, Mount Isa, QLD.
4. In-situ bulk density values ranging from 3.19 tonnes per square metre to 3.52 tonnes per square metre were assigned based on lithology.
5. A geological block model with block sizes of 5 metres x 5 metres x 10 metres was constructed.
6. Cu and Au grades were estimated using inverse distance squared interpolation within parent blocks constrained within two metal domains, with a minimum of one sample, maximum of four samples per drill hole and a maximum of 16 samples per block estimate.
7. High grade capping was applied to the sample data prior to compositing to 5 metre (m) lengths: grading 1% Cu and 3% Cu, for the low-grade and high-grade copper domains, respectively, 1.5 grams per tonne (g/t) Au and not capped for the low and high-grade domains of gold, respectively.
8. QA/QC checks on sampling and assaying quality are satisfactory.
9. The reported mineral resource estimate has been rounded to appropriate significant figures.
10. Copper Equivalent (CuEq%) = Cu (%) + (Au (g/t) x 0.70216)

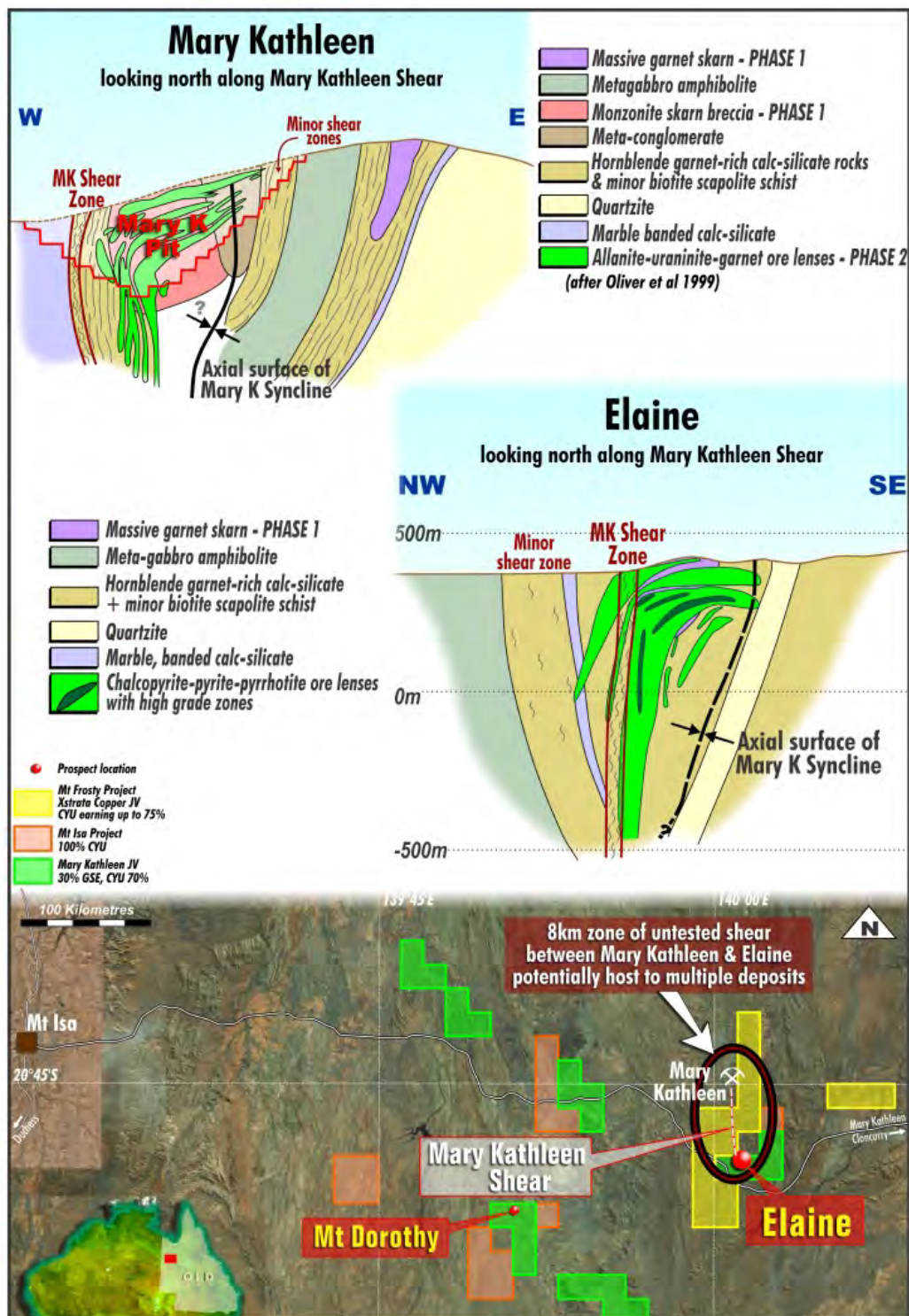


Figure 1: Mary Kathleen and Elaine comparative exploration model. The model is interpreted to be fed from a deep seated steep dipping feeder zone that has used the shear zone as a conduit, extending from depth upwards and then along and replacing the horizontal bedding of the host banded calc-silicate rocks, forming a shallow dipping to horizontal zone coming to within 50 metres of surface.

Follow up field work of detailed geological mapping plus geochemical and geophysical surveys has resulted in drilling the Copper Gossan prospect south of Elaine 2, with results expected to be available in early November.

An EH4 geophysical survey was undertaken on an 800 metre long line run approximately 120 metres to the south-west of the main body of the defined Elaine resource along the interpreted trend of the Mary Kathleen Shear (**Figure 2**). The EH4 survey results were encouraging, returning a strong resistivity low anomaly open at depth and comparable to the previously interpreted Mary Kathleen and Elaine comparative exploration model (**Figures 1, 3 & 4**) supporting the theory of the under-explored shear zone being a significant plumbing for mineralised fluid in the region.

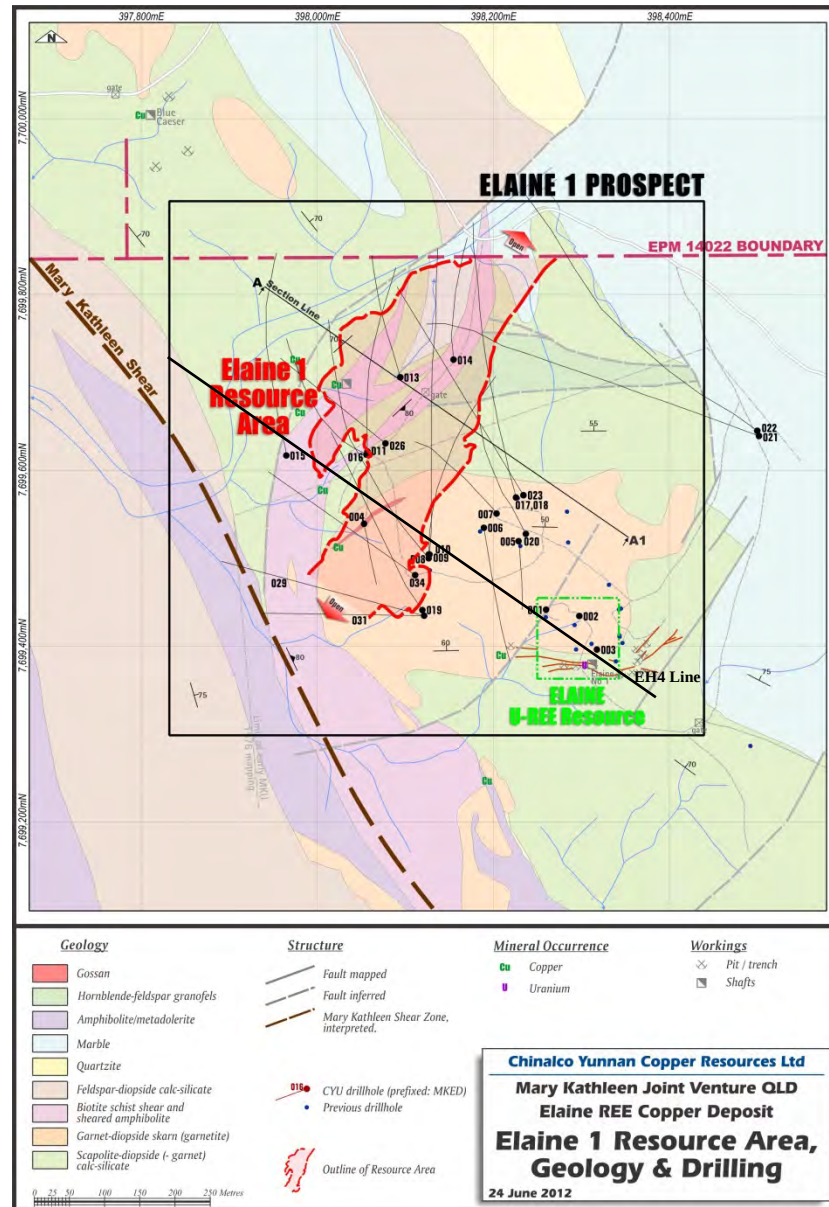


Figure 2: EH4 section line at Elaine.

The majority of diamond drilling coincident with the low resistivity anomaly that has been completed to date has intersected significant copper-gold mineralisation. The EH4 results show the low resistivity zone extending beyond the Elaine 1 resource at depth (**Figure 4**). A vertical diamond drillhole into the heart of the 27Mt system at Elaine 1 to at least 800 metres will test the extension of the resource at depth. The returned core will be utilised in metallurgical testwork and has the potential to significantly increase the known mineralised zone.

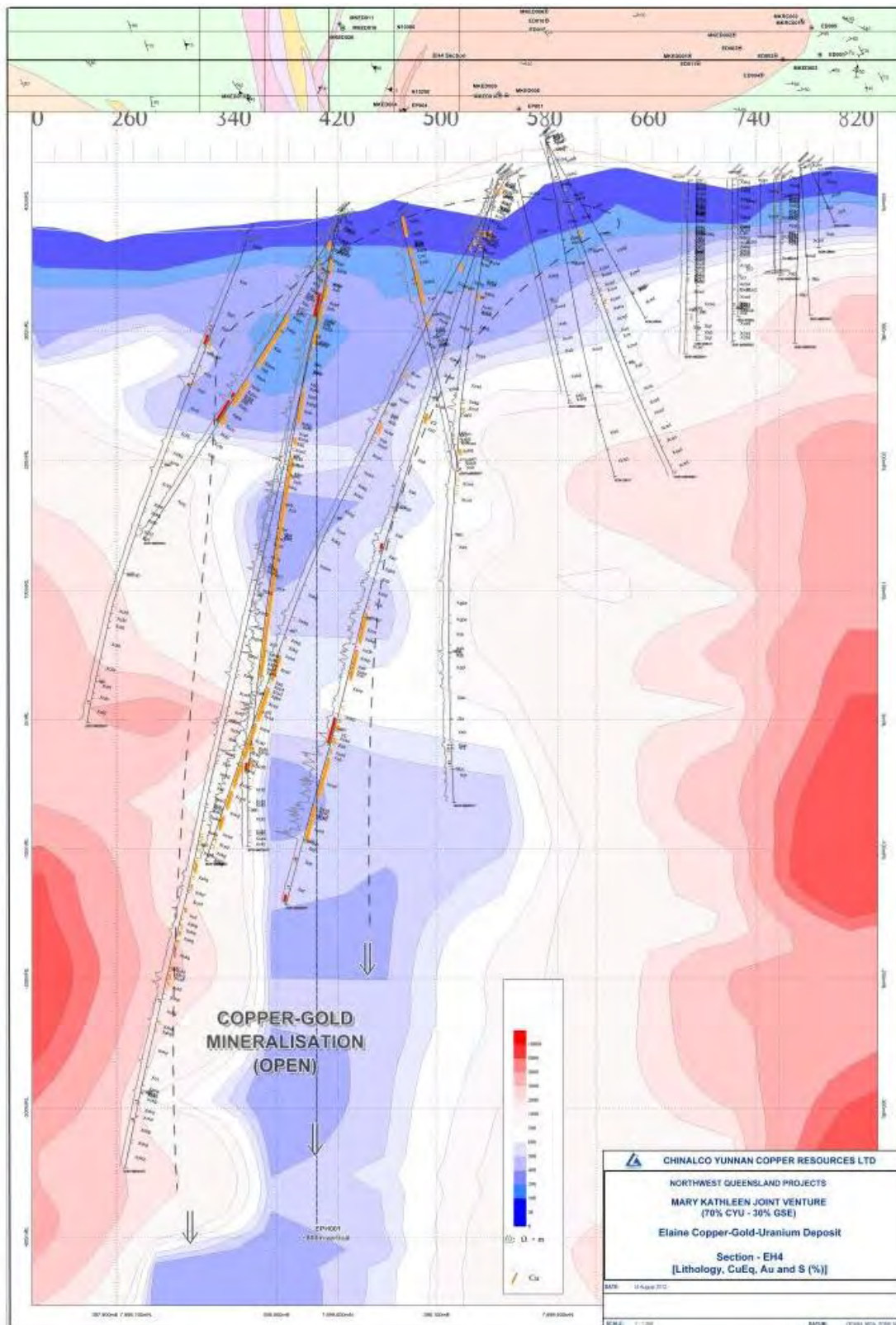


Figure 3: EH4 section line (120 metres off section). Blue areas represent resistivity lows of potential sulphides supported by diamond drill intersecting significant mineralisation. White represents moderate resistivity units characterised by the biotite schist associated with the Mary Kathleen Shear Zone.

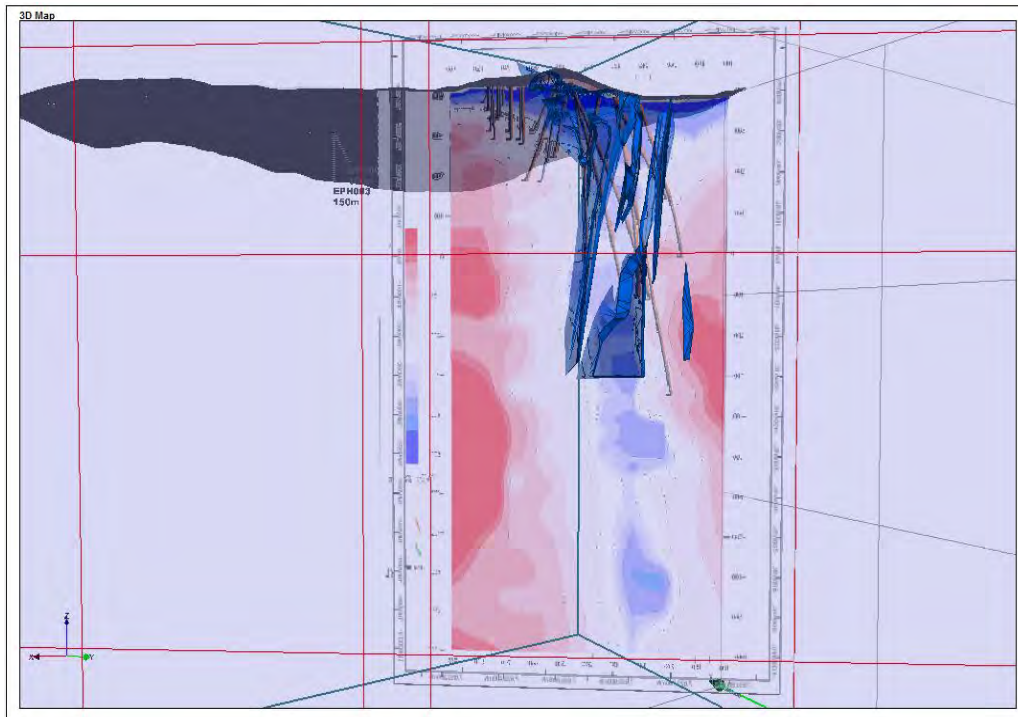


Figure 4: Screen capture of 3D model of the >0.25% copper domain from the Elaine 1 inferred copper-gold resource overlain on the EH4 section. The EH4 is a deep penetrating electro-magnetic (EM) geophysical method capable of reading to in excess of 1.2 kilometres. The copper coincides with a prominent resistivity low that extends over 1.2 kilometres from surface. The Elaine 1 anomaly as with the resource remains open at depth.

MOUNT FROSTY JOINT VENTURE (MARY KATHLEEN JOINT VENTURE EARNING IN: XSTRATA COPPER 100%)

CYU signed a binding agreement in the March 2012 quarter with Xstrata Mount Isa Mines Limited to commence exploration activities on the Mount Frosty project (EPM 14467) covering the Mary Kathleen Shear Zone.

At the end of the current quarter, field investigations were completed on a series of first pass traverses with geological mapping along the Mary Kathleen Shear. Drill targets have been generated and will be systematically drilled to test the strike extent of this new copper mineralised corridor in the heart of the Mount Isa district.

A core drilling program totalling 350 metres in 2 holes is proposed at Jubilee to test Cu and Au anomalies of old mullock samples grading up to 7.8 g/t gold and 2.1% copper will be possibly drilled before the end of the calendar year, weather dependant. In the early 1980s one historical drill hole was drilled towards east to test the mineralisation along the quartz lode and no further effort was carried out due to poor drill results. However, based on the mullock heap assay results, there is high potential of decent mineralisation if the target is properly tested.

MUSGRAVE MINERALS (ASX:MGV)
(GSE - 7.17% shareholding in MGV)

SUMMARY

Goldsearch holds a significant shareholding in Musgrave Minerals Ltd (MGV). During the quarter, MGV continued to make advances in its base metal, gold and silver focussed exploration projects in the Musgrave Geological Province and Gawler Craton regions of South Australia.

Subsequent to the reporting period, on 2 October 2012, MGV signed a Heads of Agreement with Menninnie Metals Pty Ltd, a subsidiary of Terramin Australia Limited (ASX: TZN) to earn up to a 75% interest in the Menninnie Dam Project in South Australia.

DEERING HILLS PROJECT (MGV 100%)

The Deering Hills Project is in the centre of the Musgrave geological province; about 200 kilometres west of the Stuart Highway and Adelaide to Darwin rail line.

During the quarter, MGV commenced a follow-up vacuum drilling program over geochemical targets at its Deering Hills project in the Musgrave province of South Australia. Drilling is intended to infill eight nickel-copper-platinum group element (PGE) anomalies identified in regional vacuum drilling programs carried out earlier in the year. The targets vary in extent from 600 metres to more than 5,000 metres in strike length and are all associated with areas of coincident magnetic and gravity anomalies in areas of sand and alluvial cover (**Figure 5**).

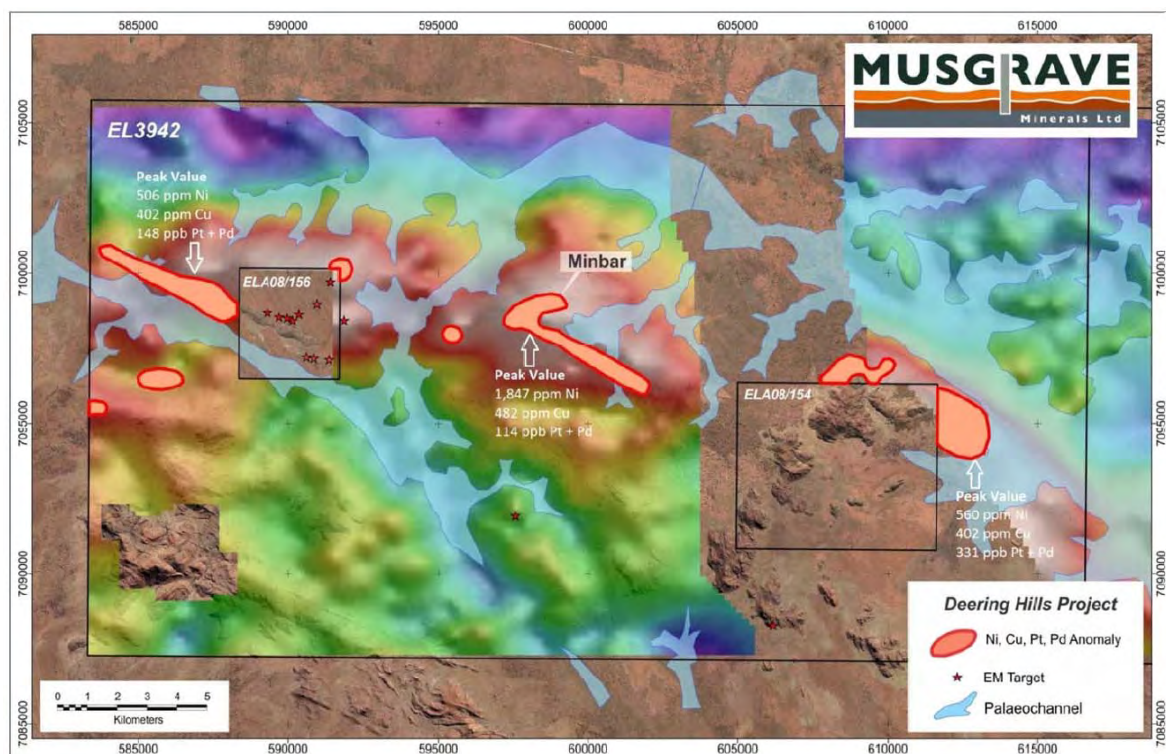


Figure 5: Deering Hills' geochemical targets on gravity on ortho-photo image. The targets include the Minbar target, considered highly anomalous with strike length over 5000 metres and previously returned peak values of 1,847ppm nickel (Ni), 482ppm copper and 114ppb platinum (Pt) + palladium (Pd).

MT WOODROFFE PROJECT (MGV 100%)

The Mt Woodroffe Project is situated in the eastern portion of the Musgrave Geological Province, located approximately 115 kilometres west of the Stuart Highway and Adelaide to Darwin railway line.

During the quarter, MGV identified a high priority nickel-copper target, Lister, in an area of shallow cover at Mt Woodroffe. Lister is a versatile time-domain electro-magnetic (VTEM) target with coincident geochemical, magnetic and gravity responses in a zone of favourable geology.

A new VTEM survey was completed over the Rimmer gravity target area at Mt Woodroffe. The survey comprised 645 line kilometres over an area of more than 170 square kilometres. Results from the interpretation of preliminary data have highlighted a strong late time conductor for follow-up. Final data is expected in November which will be the basis for the definition of the conductor and further follow-up exploration.

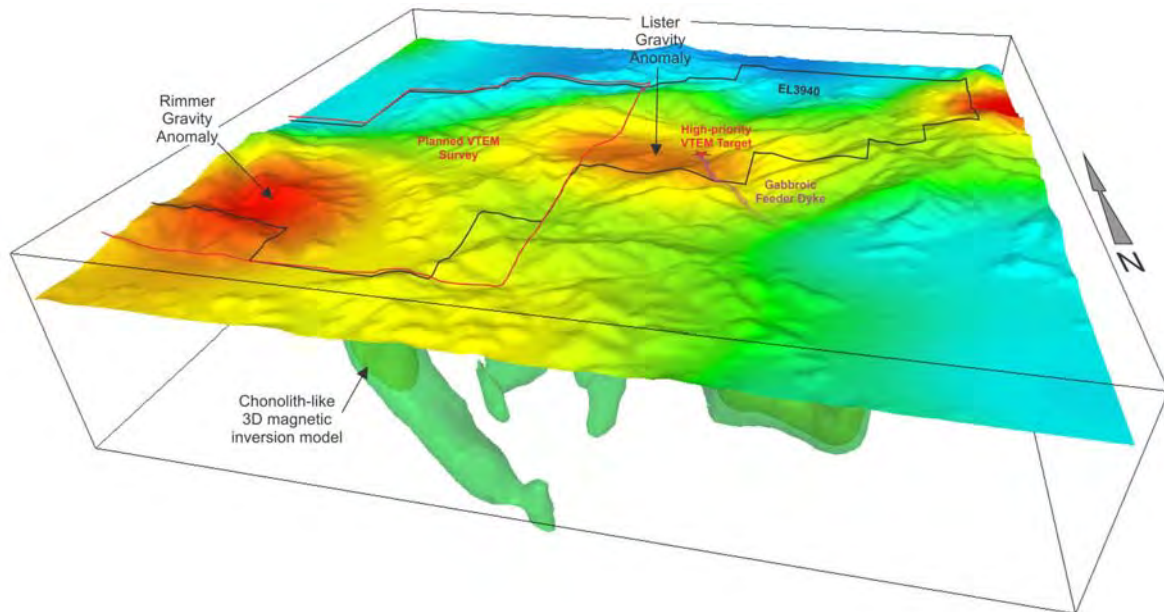


Figure 6: Mt Woodroffe Project showing Lister target with colour gravity and 3D aeromagnetics.

MENNINIE DAM PROJECT (MGV EARNING IN UP TO 75%)

Musgrave Minerals Ltd entered into a heads of agreement with Menninnie Metals Pty Ltd to earn up to 75% in the Menninnie Dam silver-zinc-lead project in the Southern Gawler Craton of South Australia (**Figure 7**). The project has an inferred resource of 7.7Mt grading 27g/t silver (Ag), 3.1% zinc (Zn), 2.6% lead (Pb) (estimated by Terramin Australia Ltd in 2011 in accordance with the JORC Code) contained within the Menninnie Central and Viper zones. These existing resource zones are not closed off.

Previous exploration was confined to the existing resource area and no drilling has taken place since 2008. MGV plans to commence a drilling program in the December 2012 quarter on the following targets which lie outside the existing resource area (**Figure 8**).

Tank Hill

The Tank Hill target is a 2 kilometre long induced polarisation (IP) anomaly with co-incident anomalous surface Zn, Pb, Cu and Au soil geochemistry. The target has not been adequately drill tested.

Mannequin

The Mannequin target is a 3 kilometre long IP anomaly. This IP response is more extensive and more intense than the responses over the known mineralisation at Menninnie Central. The modelled source of the IP response extends from near-surface to significant depth. The area is covered by transported overburden making geochemistry ineffective. The area has never been drill tested.

Phone Hill

The Phone Hill target is a 1.5 kilometre long IP anomaly co-incident with a large surface soil Ag, Zn, Pb geochemical anomaly and regional alteration. The IP response is relatively shallow and has never been drill tested. The Phone Hill target is only 30 kilometres east of the Paris silver deposit discovered by Investigator Resources Limited (ASX: IVR), and just 2 kilometres east-north-east of IVR's Victory East silver prospect.

The Menninnie Dam Project complements MGV's ongoing commitment to the Musgrave region of South Australia, enhancing its project portfolio with a more advanced opportunity and adding further drill-ready targets in a new and prospective province that can be tested immediately.

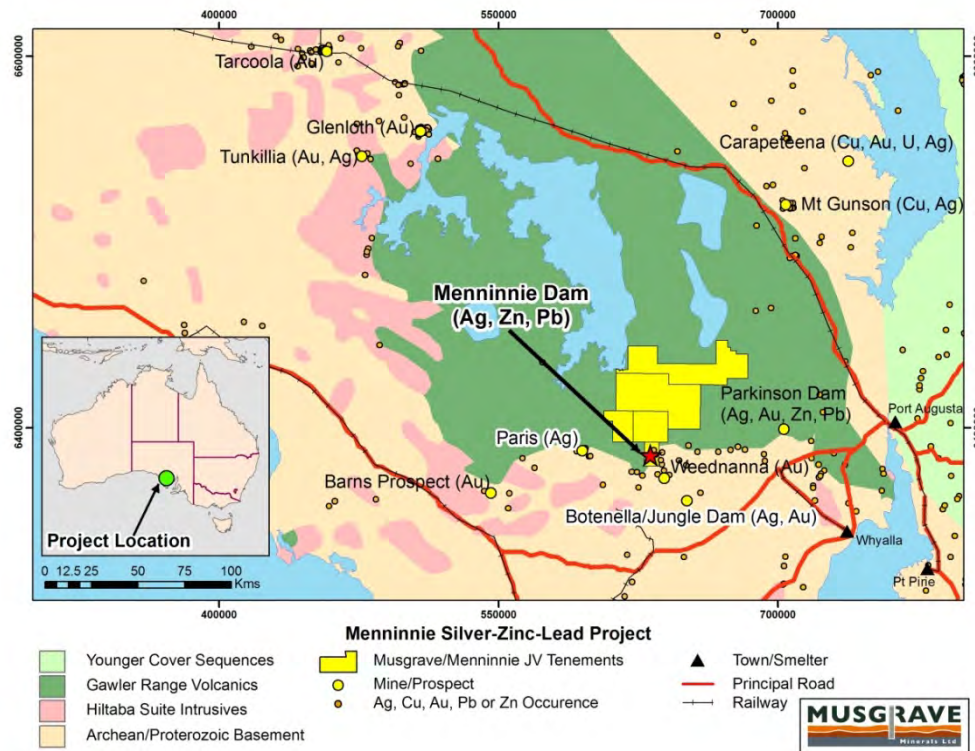


Figure 7: Location of the Menninnie Dam Project. The project comprises a group of five exploration licences in a contiguous area of 2,471 square kilometres. It is located approximately 100 kilometres west of Port Augusta and is well positioned in regards to infrastructure and proximity to the coast.

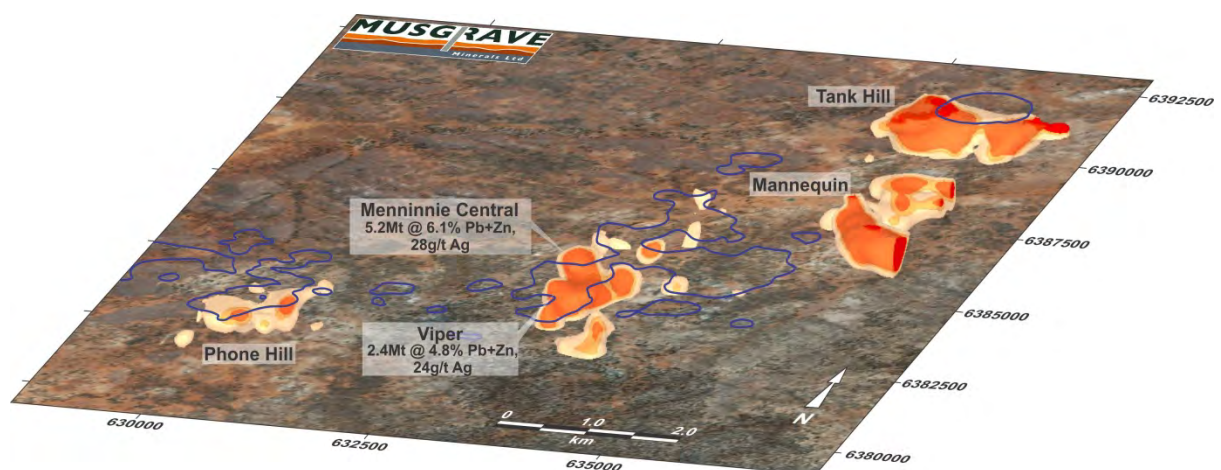


Figure 8: Schematic image of new drill-ready targets at Menninnie Dam shown as IP chargeability shells on Landsat with anomalous Zn-Pb soil contours in blue.

OTHER PROJECTS

A new VTEM survey was completed over high priority target areas on the Mimili and Bryson Hill Projects in the Musgrave Region. The survey comprised more than 500 line kilometres over an area

of more than 145 square kilometres at Mimili and 736 line kilometres covering 216 square kilometres at Bryson Hill. In addition, a regional surface geochemical program was completed over the Ragnar target at Moorilyanna on the Mimili Project. More than 490 surface auger samples were collected over a broad zone encompassing and along strike from Ragnar.

Further information regarding Musgrave Minerals Ltd is available at www.musgraveminerals.com.au

DUCK CREEK

(QMN earning in up to 75% GSE diluting to 25%)

Subsequent to reporting period, Queensland Mining Corporation (ASX:QMN) released a maiden JORC resource for its Horseshoe copper deposit at Duck Creek, north-west Queensland. The resource is within its wholly owned ML 2778 which is surrounded by GSE's EPM 13336 which is under joint venture with QMN, with QMN earning up to 75% in EPM 13336 by spending \$750,000.

The resource contains an indicated and inferred total of 960,000 tonnes grading 1.47% Cu (0.2% Cu cut-off) and 0.13g/t Au, for a contained metal content of 14,134 tonnes of copper metal and 3,859 ounces of gold (**Table 2**).

Table 2. Horseshoe mineral resource (0.2% Cu cut-off)

Category	Tonnage	Cu	cobalt (Co)	Au	Cu	Co	Au
	(t)	(%)	(ppm)	(g/t)	(t)	(lbs)	(oz)
Indicated	280,000	1.36	200	0.11	3,830	116,600	985
Inferred	680,000	1.51	100	0.13	10,304	211,200	2,874
Total	960,000	1.47	200	0.13	14,134	327,800	3,859

This is the first copper sulphide deposit recorded in the Duck Creek area and highlights the potential at depth given the area's long history of surface mining for copper oxides.

QMN is planning further drilling and project assessments with the aim of:

- Upgrading the resource category at deeper levels of the resource through infill drilling, which may support a scoping study;
- More closely defining the extent of mineralisation along strike to the west and down dip to the south through step-out drilling and
- Undertaking diamond core drilling to collect samples for preliminary metallurgical test work.

MOUNT WELLINGTON

(GSE 100%)

The Mount Wellington project is centred 20 kilometres south-east of Jamieson and 10 kilometres east of the Woods Point gold mining centre in eastern Victoria. The project now consists of two granted exploration licences and one exploration licence application. Goldsearch is continuing looking to farm-out the project to other parties.

COMPETENT PERSONS STATEMENT

Aspects of this report that relate to Mineralisation, Mineral Resources or Ore Reserves of Goldsearch Limited, both directly and through its joint ventures and investments, are based on information compiled by persons who are Fellows or Members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, and have sufficient relevant experience of the activity undertaken and of the mineralisation style and type of deposit described. They qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code of Reporting of Identified Mineral Resources and Ore Reserves" (JORC Code). The above statements fairly reflect the reports prepared by these Competent Persons and has been overviewed by Mr T V Willstedt, BE (Min) Hons, BA, FAusIMM as a Competent Person for Goldsearch Limited. Mr Willstedt consents to the inclusion in this report of these matters based on their information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Goldsearch Limited

ABN

73 006 645 754

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(428)	(428)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(96)	(96)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net operating cash flows		(521)	(521)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(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)	(1)
1.13	Total operating and investing cash flows (carried forward)	(522)	(522)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(522)	(522)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	650	650
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 – share issue cost	(2)	(11)
	Net financing cash flows	639	639
	Net increase (decrease) in cash held	117	117
1.20	Cash at beginning of quarter/year to date	235	235
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter (see Note 1 below)	352	352

Note 1: In addition to the cash on hand the Company has access to further working capital through realisation of its investments in listed unrestricted securities. At the end of the current quarter, the Company's investments in listed securities had a market value of \$331,651 and the Company has a further \$552,720 of listed securities restricted until 29 April 2013.

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	62
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	47,372
- Directors' superannuation	4,128
- Legal fees paid to Landerer & Company (J Landerer)	10,920

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 Market value of listed unrestricted securities as at 30 September 2012, the Company has a further \$552,720 of listed securities restricted until 29 April 2013 (see note to paragraph 1.22 above),	331	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	75
Total	275

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	325	58
5.2 Deposits at call	27	177
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (see note to item 1.22)	352	235

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 5046, Mike's Bluff, Victoria	Exploration licence covering an area of 93 square kilometres expired on 28 August 2012	100%	0%
6.2 Interests in mining tenements acquired or increased	N/A	N/A	N/A	N/A

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

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	533,276,517	533,276,517	N/A	N/A
7.4	Changes during quarter				
	(a) Increases through issues	65,000,000	65,000,000	1 cent	1 cent
	(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	Nil	N/A	N/A	N/A
	Unlisted options	22,250,000	Nil	5 cents	1 December 2014
7.8	Issued during quarter				
	Listed options	Nil	N/A	N/A	N/A
	Unlisted options	Nil	N/A	N/A	N/A
7.9	Exercised during quarter				
	Listed options	Nil	N/A	N/A	N/A
	Unlisted options	Nil	N/A	N/A	N/A
7.10	Expired during quarter				
	Listed options	Nil	N/A	N/A	N/A
	Unlisted options	Nil	N/A	N/A	N/A
7.11	Debentures (totals only)	Nil	N/A		
7.12	Unsecured notes (totals only)	Nil	N/A		

Compliance statement

+ See chapter 19 for defined terms.

- 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: 31 October 2012

Print name: Paul 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.

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