

GOLDSEARCH

Goldsearch Limited

ABN 73 006 645 754

Annual financial report
for the financial year ended 30 June 2016

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DIRECTORS' REPORT

Your Directors hereby submit the statement of financial position of the Company at 30 June 2016 together with related statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity and notes thereto for the year then ended and report as follows:

Directors

The names of the directors in office at the date of this report and throughout the year are:

Mr J.M.E. Percival
Ms E.C. Hansen (appointed 9 October 2015)
Mr G. Tetley (appointed 10 May 2016)
Mr J.B. Callanan (appointed 24 July 2015, resigned 10 May 2016)
Mr D.L. Williams (resigned 18 December 2015)
Mr P. Ashcroft (resigned 24 July 2015)

Company secretary

The names of the company secretaries in office at the date of this report and throughout the year are:

Ms Elissa Hansen (appointed 12 August 2015)
Mr J.M.E. Percival (appointed 23 July 2015, resigned 12 August 2015)
Mr R Kineavy (resigned 24 July 2015)
Mr P Ashcroft (resigned 24 July 2015)

Principal activities

In June 2016, the Company signed a terms sheet to acquire 100% of the shares and 100% of the assets and business undertakings of Zoono Group Limited (parent entity, "Zoono"). Businesses to be acquired include, but not limited to, Zoono Limited (100% owned subsidiary New Zealand registered subsidiary) and Zoono USA Inc. (100% owned California Registered Subsidiary).

Zoono is a pharmaceutical company specialising in the development, manufacture and sales of a unique long lasting antimicrobial technology effective against all pathogens including bacteria, viruses, mould, algae and fungi. Through a strong foundation of research, development and the use of innovative technologies, Zoono is dedicated to providing a range of environmentally friendly,

trusted, high quality, long lasting and durable surface-acting antimicrobial products for commercial, industrial, health, consumer and residential use.

Results

The result for the financial year was a loss of \$231,506 (2015: loss of \$4,580,445) after income tax expense of \$nil (2015: \$nil).

Dividend

No dividends were paid or declared during the year by the Company and no recommendation for payment of dividends has been made.

Review of operations

The following occurred during the year under review:

National Health Services Ltd ("NHS") Acquisition.

As a result of continued due diligence inquiries in relation to the Galen and Gray ("G&G") acquisition by NHS, Goldsearch advised NHS that it does not wish to acquire any interest in G&G.

Subsequently, Goldsearch has shifted focus away from the NHS acquisition.

Share Consolidation and Funding

On the 16 July 2015, the Company held a general meeting whereby shareholders approved the consolidation of the Company's issued share capital on a 250 for 1 basis. At the same time shareholders approved the placement for 6,666,667 shares on a post-consolidation basis at 7.5 cents per share to raise \$500,000 before costs.

On 22 October 2015, the Company raised \$55,000 before costs through the issue of 733,334 shares.

On 31 May 2016 the Company raised \$90,000 before costs through the issue of 2,166,666 shares.

On 24 June 2016 the Company raised \$36,000 before costs through the issue 750,000 shares.

DIRECTORS' REPORT

Significant changes

There were no significant changes to the state of affairs of the Company which occurred during the financial year ended 30 June 2016 with the exception of those described above.

Financial position

At 30 June 2016 the Company held cash and receivables totalling \$122,461 (2015: \$112,278).

In August 2016, the Company raised \$323,000 via issues of convertible notes which will be used to fund working capital.

The Company is actively seeking to raise capital of up to \$10,000,000 as part of the upcoming Zoono transaction.

Events subsequent to reporting date

Zoono Transaction

In August 2016, Goldsearch executed a binding Share Sale agreement with the vendors to acquire Zoono Group Limited, subject to shareholder approval.

Consideration for the purchase is the issue and allotment of 94,500,000 fully paid ordinary Goldsearch Limited shares on a post-consolidation basis.

Goldsearch has proposed to undertake a 2:1 share consolidation prior to issuing the consideration shares.

The Company will also conduct a capital raising of up to \$10,000,000 through the issue of up to 50,000,000 shares at an issue price of \$0.20 per share (post consolidation).

Funding

In August 2016, the Company raised \$323,000 via issues of convertible notes.

Mary Kathleen JV

Subsequent to year end, the Company relinquished all interests and rights in the Mary Kathleen JV as part of a restructure of its assets ahead of the Zoono transaction.

No other matters or circumstances have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- The Company's operations in future years;

- The results of those operations in future years; or
- The Company's state of affairs in future years.

Likely developments

Following the completion of the Zoono Group Limited transaction, Goldsearch will then operate in the pharmaceutical field specialising in the development, manufacture and sales of antimicrobial technology.

Otherwise there are no known likely developments in the operations of the Company.

Information on directors

John M.E. PERCIVAL

(non-executive director and member of the audit committee)

Appointed a director on 11 October 1995.

John has been involved in investment and merchant banking for over 25 years including 15 years as investment manager of Barclays Bank New Zealand Limited.

John has had extensive experience in stockbroking, corporate finance and investment management.

He beneficially holds 72 fully paid ordinary shares and has an indirect interest in a further 46,127 fully paid ordinary shares.

During the past three years, John has acted as a non-executive director of the following Australian listed public companies:

- Musgrave Minerals Limited (appointed May 2010)

Elissa HANSEN

(non-executive director and member of the audit committee)

Appointed a director on 9 October 2015 and Company Secretary on 12 August 2015.

Elissa Hansen is a Chartered Secretary with 15 years' experience advising management and boards of ASX listed companies on investor relations, governance, compliance and other corporate issues.

DIRECTORS' REPORT

During the past three years has acted as a non-executive director of the following Australian listed public companies:

- Torian Resources Limited (appointed 9 December 2015)

Glenn TETLEY

(non-executive director and member of the audit committee)

Appointed a director on 10 May 2016.

Glenn Tetley has over 30 years' experience in investment analysis, funds management and business development with a range of public and private companies. He has during this time developed specific expertise in the industrial, mining, resources and commodities sector.

Mr Tetley holds a Bachelor of Economics and is a Fellow of the Financial Services Institute of Australia.

Directors' meetings

Attendance of individual directors at board meetings held during the year ended 30 June 2015 was as follows:

Director	Meetings Held ¹	Meetings Attended
J.M.E. Percival	27	27
D.L. Williams	12	12
J.B. Callanan	17	17
P. Ashcroft	1	1
E.C. Hansen	17	17
G Tetley	8	8

¹ Meetings held while director was in office.

In addition meetings of the audit sub-committee were attended by directors as follows:

Director	Meetings Held ¹	Meetings Attended
J.M.E. Percival	2	2
E.C. Hansen	1	1
J.B. Callanan	2	2
D.L. Williams	1	1
G Tetley	-	-

¹ Meetings held while director was in office.

Directors' and auditors' indemnification

During or since the end of the financial year the Company has given an indemnity or entered into agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- Under the provisions of the constitution of the Company every officer (and former officer) of the Company is indemnified, to the extent permitted by law, against all costs expenses and liabilities incurred as such an officer providing it is in respect of a liability to another person (other than the Company or a related body corporate) where such liability does not arise out of conduct involving a lack of good faith and it is in respect of a liability for costs and expenses incurred in defending proceedings in which judgement is given in favour of the officer or in which the officer is acquitted or is granted relief under the Law.
- During the year the Company paid a premium on a policy to insure each of the directors and executives of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or executive of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Insurance premiums paid in the 2016 year were \$22,207.

Auditor's independence declaration

The Company's independent auditor has provided an independence declaration to the Company for the year ended 30 June 2016. A copy of the declaration is attached to and forms part of this directors' report.

Audit Services

During the year, audit and review fees payable to Grant Thornton Audit Pty Ltd amounted to \$37,000.

DIRECTORS' REPORT

Non Audit Services

Goldsearch may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. During the current financial year, the auditor, Grant Thornton Audit Pty Ltd, did not provide any non-audit services to the Company.

All non-audit services would be reviewed by the Audit Committee to ensure that they do not impact the impartiality and objectivity of the auditor and that none of the services would undermine the general principles relating to auditor independence as set out in Accounting Professional and Ethical Standards (APES) 110 Code of Ethics for Professional Accountants.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited)

This remuneration report is set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Share-based compensation

1. Principles used to determine the nature and amount of remuneration

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the directors in determining remuneration levels is to set competitive remuneration packages to attract and retain high calibre employees.

The board has not established a separate remuneration committee due to the small size of the Company. The board itself sets the remuneration policies and undertakes regular reviews of the performance and remuneration of Company executives.

In accordance with ASX Corporate Governance best practice (Recommendation 8.2), the structure of non-executive director and executive remuneration is separate and distinct as follows.

a. Non-executive directors' remuneration

Fixed remuneration:

The board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of a high calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the maximum aggregate remuneration of non-executive directors shall be determined from time to time by shareholders. The constitution of the Company further provides that the remuneration of non-executive directors will not be more than the aggregate fixed sum determined by a general meeting of shareholders.

The maximum aggregate remuneration sought to be approved by shareholders and the manner in which it is to be apportioned amongst the non-executive directors is reviewed from time to time by the board and takes into account the fees paid to non-executive directors of comparable companies, when undertaking such reviews.

Directors' fixed fee remuneration is inclusive of committee fees and superannuation.

At the 2007 annual general meeting held on 22 November 2007 shareholders approved a maximum annual aggregate remuneration for non-executive directors of \$250,000 per annum.

The aggregate amount which the directors agreed to draw from this for the financial year ended 30 June 2016 was \$112,000 per annum which was apportioned between themselves as follows:

Fixed fees	Year ended 30 June 2016 \$	Year ended 30 June 2015 \$
Base fee:		
- Chairman	-	40,000
- non-executive directors	36,000 each	36,000 each

DIRECTORS' REPORT

b. Company executive and executive director remuneration

There were no executive directors during the year.

2. Details of remuneration

Details of the remuneration paid during the year to Key Management Personnel (as defined in AASB 124 Related Party Disclosures) are set out in Table 1 which follows.

The Key Management Personnel of Goldsearch Limited are the directors who have the authority and responsibility for planning, directing and controlling the activities of the Company. The Company currently does not have any executives.

3. Executive contractual arrangements

The terms and conditions of the appointment of non-executive directors are set out in a letter of appointment which covers remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice.

The major provisions of the agreements relating to remuneration are set out below:

Name	Base Salary	Term of Agreement
J.M.E. Percival	\$36,000	Unspecified
D.L. Williams	\$36,000	Unspecified
J.B. Callanan	\$36,000	Unspecified
E.C Hansen	\$36,000	Unspecified
G. Tetley	\$36,000	Unspecified

Voting and comments made at the company's 2015 Annual General Meeting

The Company received a majority of "yes" votes on its remuneration report for the 2015 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

Consequences of performance of shareholders wealth

There is no relationship between Company performance, shareholder wealth and Directors remuneration. Due to the nature of the Company's exploration activities the entities performance over the last 5 years would not be an appropriate measure.

GOLDSEARCH LIMITED

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DIRECTORS' REPORT

Table 1: Schedule of remuneration of key management personnel, including directors

	Short-term benefits - Salary and fees \$	Post employment benefits - Termination payments \$	Post employment benefits - Super \$	Share based payments - Share Options \$	Total \$	Percentage share-based payments - Share options %
Year ended 30 June 2016						
<i>Non-executive directors:</i>						
J.M.E. Percival	36,000	-	-	-	36,000	-
P. Ashcroft ¹	2,268	-	-	-	2,268	-
D.L. Williams ²	16,743	-	-	-	16,743	-
J.B. Callanan ^{3,10}	33,000	-	-	-	33,000	-
E.C. Hansen ^{4,11}	25,935	-	-	-	25,935	-
G. Tetley ⁵	6,000	-	-	-	6,000	-
Total	119,946	-	-	-	119,946	
Year ended 30 June 2015						
<i>Non-executive directors:</i>						
J.M.E. Percival	109,959	-	1,041	-	111,000	-
P. Ashcroft ¹	10,183	-	-	-	10,183	-
D.L. Williams ²	10,183	-	-	-	10,183	-
T.V. Willsteed ⁶	31,663	36,000	-	-	67,663	-
J. Landerer ⁷ CBE AM	-	37,389	3,598	-	40,987	-
R.B. Leece ⁸ AM RFD	-	33,650	3,238	-	36,888	-
S. Turner ⁹	24,263	-	-	-	24,263	-
Total	186,251	107,039	7,877	-	301,167	

- Notes:
- 1) Mr Peter Ashcroft was appointed as a director of the Company on 19 March 2015 and resigned on the 24 of July 2015.
 - 2) Mr David Williams was appointed as a director of the Company on 19 March 2015 and resigned 18 December 2015.
 - 3) Mr Ben Callanan was appointed as a director of the Company on 24 July 2015 and resigned 10 May 2016.
 - 4) Ms Elissa Hansen was appointed as a director of the Company on 9 October 2015.
 - 5) Mr Glenn Tetley was appointed as a director of the Company on 10 May 2016.
 - 6) Mr Terence Willsteed resigned as a director of the Company on 19 March 2015.
 - 7) Mr John Landerer resigned as a director of the Company on 9 July 2014.
 - 8) Mr Robert Leece resigned as a director of the Company on 9 July 2014.
 - 9) Mr Stephen Turner was appointed as a director on 9 July 2014 and resigned on 11 March 2015.
 - 10) Mr Ben Callanan received additional fees of \$26,240 paid through JB Advisory Services Pty Ltd (refer to page 9)
 - 11) Ms Elissa Hansen received additional fees of \$30,000 for the provision of Company Secretarial Services (refer to page 9)

DIRECTORS' REPORT**Table 2: Shares held by key management personnel, including directors**

Key management personnel and their related entities hold directly, indirectly or beneficially as at the reporting date the following interests in the Company:

Directors	Ordinary shares		Quoted share options		Unquoted share options	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
J.M.E. Percival	72	46,127	-	-	-	-
P. Ashcroft ¹	-	16,000	-	-	-	-
D.L. Williams	-	-	-	-	-	-
J.B. Callanan	-	-	-	-	-	-
E.C. Hansen	-	-	-	-	-	-
G. Tetley	-	-	-	-	-	-

1) At resignation date

Movements in these holding during the year were as follows:

(i) No shares or options were acquired or granted during the period

(ii) No shares or options were sold, options exercised or expired during the period

End of remuneration report

DIRECTORS' REPORT

Environmental regulation

The Company's operations are subject to general environmental regulation under the laws of the states and territories of Australia in which it operates. In addition, the various exploration licences held by the Company from time to time impose environmental obligations on it in relation to site remediation following sampling and drilling programs. The board is aware of these requirements and management was instructed to ensure that they are complied with. The directors are not aware of any breaches of these environmental regulations and licence obligations during the year. The Company no longer holds any exploration licences or leases other than a net smelter return. The Company intends to relinquish all rights to all exploration assets.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Directors' benefits

Since the end of the previous financial year no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the annual accounts of the

Company, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related entity with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than:

Ms Elissa Hansen, a director of Market Capital Group Pty Ltd t/a CoSec Services, provided company secretarial and consulting services to the Company. Charges for services provided during the year amounted to \$30,000 (2015: nil).

Mr Ben Callanan, a director of JB Advisory Services Pty Ltd, provided capital raising and consulting services to the Company. Charges for services provided during his period of service as a director of the Company amounted to \$26,240 (2015: nil).

Auditors

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the corporations Act 2001.

Signed in accordance with a resolution of the board of directors.



J. Percival

Director

Sydney, 30 September 2016

CORPORATE GOVERNANCE STATEMENT

The following statement outlines the principal corporate governance practices and procedures that were in place throughout the financial year and the extent to which they depart from the revised Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations).

Roles of the board and management

The board is responsible for establishing the strategy and policies of the Company, overseeing its financial position, approving major capital expenditures and the day to day operation of the Company. The board is also responsible for the appointment and supervision of the secretary of the Company, and monitoring the corporate conduct of its officers. The board is appropriately experienced to discharge these responsibilities.

The Company currently does not have any management and hence there is a not a distinction between the respective roles of the board and management

The board meets regularly and discuss the management of the Company including the monthly management accounts. All contractual commitments and payments are approved by the board.

At meetings of the board, the directors deal with various policy and corporate governance matters, including:-

- formulating and reviewing Company strategies and board policies;
- monitoring implementation of Company strategies, and ensuring appropriate resources are available to undertake those strategies;
- ensuring appropriate management control and accountability systems are in place;
- reviewing the composition of the board;
- ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act;
- reviewing published reports and stock exchange announcements to ensure their accuracy and compliance with statutory requirements;
- identification of areas of significant business risk and the management of those risks; and
- the establishment and maintenance of appropriate ethical standards for the Company, its directors and executives.

Structure of the board of directors

The directors of the Company in office at the date of this statement are:

Mr. J.M.E. Percival (non-executive director)

Ms. Elissa Hansen (non-executive director)

Mr. Glenn Tetley (non-executive director)

The skills and experience of each director is set out in the directors' report which is found in the Company's Annual Report.

As noted above, all directors are non-executive. The Company does not have a chairman or a chief executive at this time. It is currently undertaking due diligence to consider the purchase of Zoono Group which will lead to a change in directors and operations of the Company resulting in the requirement for a different skill set on the board and of the CEO position.

CORPORATE GOVERNANCE STATEMENT

The board has considered the independence of each of the directors against the definition of independent Director and the factors set out in Box 2.3 of the ASX Corporate Governance Principles and Recommendations and has determined that both Ms. Hansen and Mr. Tetley are independent. However, the board expects the composition to be changed subject to the successful purchase of Zoono Group.

In selecting new Directors, the board will ensure that each candidate has the appropriate range of skills, experience and expertise that will best complement board effectiveness.

The Company will ensure that appropriate background checks are undertaken regarding the potential new Director's character, experience, education, criminal record and bankruptcy history before appointing or putting forward a Director to shareholders for election as a Director.

The Company will provide its shareholders with all material information in its possession that is relevant to their decision on whether or not to elect or re-elect a Director through the Notice of Meeting, Director resumes and other information contained in the Annual Report.

Upon appointment, each Director will receive a written agreement which sets out the terms of their appointment. New Directors will also attend an induction program where they are briefed on the Company's:

- operations and the industry sectors in which it operates;
- financial, strategic, operational and risk management position;
- governance matters, policies and procedures; and
- the Director and committee member's rights, duties and responsibilities.

Nomination Committee

Because of the relatively small size of the Company and its operations, the board does not consider it appropriate, at this time, to form a separate committee to deal with nomination of directors.

When a vacancy exists on the board or where it is considered that a director with particular skills or experience is required, the board selects a panel of candidates with the appropriate expertise and experience from which the most suitable candidate is appointed on merit.

Individual directors are able to seek independent professional advice, at the Company's expense, on matters relevant to their role as a director. This is subject to the prior approval of the board, which may not be unreasonably withheld, and the other directors being given a copy of such advice.

Non-executive directors are appointed for an indefinite term subject to the constitution of the Company which provides for regular retirement by rotation and provides that no director (except a managing director) shall hold office for more than three years, or until the third annual general meeting following the director's appointment without submitting himself for re-election. The dates on which each director was appointed and last re-elected are as follows:

Director	Appointed	Last re-elected
Mr J.M.E. Percival	11 October 1995	18 December 2015
Ms. Elissa Hansen	9 October 2015	18 December 2015
Mr. Glenn Tetley	11 May 2016	

CORPORATE GOVERNANCE STATEMENT

Diversity Policy

The Company is committed to ensuring an inclusive workplace that encourages and embraces diversity. The Company has a Diversity Policy which provides a framework for the Company to achieve workplace diversity and includes requirements for the Board to set measurable objectives. The Diversity Policy is available on the Company's website.

The Board has not established measurable targets for achieving gender diversity across the Company at this stage as it is currently undergoing a change in direction and operations, which are subject to Shareholder approval.

The respective proportions of men and women on the Board and across the Company are as below:

	Men	Women
Board	66%	33%
Company	-	-

Board performance

The Company believes it is important that the Board reviews its own performance to ensure it is performing to a high level. Under the Board Charter, the Board must conduct an annual performance review. The Charter sets out the process for this review.

A board review was not conducted in 2016. The board had been focussed on undertaking identifying, reviewing and undertaking due diligence on an appropriate opportunity for the Company which will result in a change in strategic director. Further, there were a number of changes in the board during the year making it difficult to review overall performance. The Company intends to complete a board review in the future.

Senior Executive performance

The Company does not currently have any senior executives and therefore did not undertake a performance review during the period.

Management

For each senior executive, the company expects to have:

- written agreements which set out the terms of their appointment;
- a process for periodically evaluating their performance; and
- policies and practices regarding their remuneration.

Board skills and experience

The length of service of each Director is set out in the Directors' Report of the Annual Report and on the website.

CORPORATE GOVERNANCE STATEMENT

The skills and experience of each Director is set out in the matrix below:

Experience	Industry
Investment Banking	Investment Banking
Merchant Banking	Resources
Corporate Finance	Finance
Entrepreneurial activity	
Governance	

Code of conduct

Board members and Company officers are made aware of the requirements to follow corporate policies and procedures, to obey the law and to maintain appropriate standards of honesty and integrity at all times. In this regard the directors have adopted a code of conduct for directors, senior executives and employees. The code of conduct covers ethical operations, compliance with laws, dealings with customers and public officials, conflicts of interest, confidential and proprietary information and insider trading. A copy of the code is available on the Company web site under the corporate governance section.

Share trading policy

The Company's code of conduct provides that no director, senior executive or employee shall purchase or sell Company securities while in possession of material information concerning the Company or such a company that has not previously been generally disclosed to the investing public for at least two business days. Nor shall a director inform any individual or entity of any such material information, except in the necessary course of business.

Directors are required to give prior notice to the board of any dealings in Company securities by themselves or their associates and to provide particulars of any transactions immediately following execution. The secretary is to make the requisite notifications to ASX within 5 days of each such transaction.

Financial reporting and audit committee

Mr J.M.E. Percival, director, provided the CEO and CFE declaration to the board that states that, in his opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the biases of a sound system of risk management and internal control which is operating effectively.

The board has established a separate audit committee which reviews the published accounts of the Company as well as the external auditing arrangements and the adequacy, quality and effectiveness thereof. The committee consists of Mr J M E Percival, Ms. Elissa Hanse and Mr. Glenn Tetley. The Committee has a majority of independent directors. The relevant qualifications and experience of committee members is available in the Directors' Report in the Annual Report. The committee meets at least twice a year.

The committee has a formal charter, a copy of which is available on the Company's website.

CORPORATE GOVERNANCE STATEMENT

Continuous disclosure

All directors have been made aware of the continuous disclosure requirements of the ASX Listing Rules and have been provided with a copy of the relevant rules and guidance notes. Continuous disclosure is included on the agenda for all formal meetings of the directors. Directors are made aware of the constraints applicable to private briefings and broker and analyst presentations.

The directors have allocated responsibility to each director and the company secretary to alert the board to any operational or regulatory matters respectively which they consider may require disclosure to the market under the continuous disclosure requirements of the ASX Listing Rules. The directors then consider and approve the form of any such announcement.

All Company announcements require the approval of the board with provision for available directors to approve urgent announcements. The company secretary is responsible for communication with ASX.

The annual report contains a review of operations.

Shareholder communication

The Company communicates with its shareholders through ASX announcements, quarterly reports, the half-year report, the annual report and the annual general meeting. Copies of all such ASX announcements and reports are available on ASX's web site. Shareholders are encouraged to provide an email address to receive electronic copies of all announcements and reports.

The independent auditor attends the annual general meeting to respond to questions from shareholders on the conduct of the audit and the preparation and content of the audit report.

Risk management

The board has accepted the role of identification, assessment, monitoring and managing the significant areas of risk applicable to the Company and its operations. It has not established a separate committee to deal with these matters as the directors consider the size of the Company and its operations does not warrant a separate committee at this time. The board considers the matter of risk management on a six monthly basis at its regular meetings.

The Board is required to review at least annually the effectiveness of the Company's risk management and internal control systems. This review was not conducted in 2016. The Board was been focusing on identifying an evaluating an appropriate opportunity for the Company, which is expected to change the nature and scale of the Company so it did not believe a formal review was warranted at this time. Company and intends to conduct a review in the future.

The Board reviews and assesses the Company's exposure to economic, environmental and social sustainability risks and determines the Company's approach to managing those risks.

Internal audit

The Company does not have an internal audit function, and due to its size and current activities the Board does not believe one is warranted at this time. The Board evaluates and monitors internal control processes to continually improving the effectiveness of its risk management.

CORPORATE GOVERNANCE STATEMENT

Remuneration of directors and executives

Because of the relatively small size of the Company and its operations, the board does not consider it appropriate, at this time, to form a separate committee to deal with executive remuneration. The board as a whole establishes and reviews annually the remuneration of the executive directors, senior executives and employees.

In accordance with the constitution of the Company, shareholders determine the maximum aggregate annual remuneration of the directors, (the current maximum aggregate annual remuneration which was approved by shareholders at the 2007 annual general meeting is \$250,000). The directors determine the allocation of all or part of the approved maximum aggregate remuneration between the non-executive directors. The current determination is to pay annual directors fees of \$36,000 to non-executive directors. With the current board structure, this is an aggregate of \$108,000 per annum compared with the shareholder approved maximum of \$250,000.

A summary of the Company's remuneration policies and practices, together with particulars of remuneration of the directors and key management personnel during the year ended 30 June 2016, is set out in the remuneration report section of the directors' report and in the notes to the financial statements.

Recognition of legitimate interests of stakeholders

As detailed above, the Company has adopted a code of conduct which 'inter alia' deals with compliance with legal and other obligations to legitimate stakeholders. The full code of conduct is available on the Company web site under the corporate governance section.



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Auditor's Independence Declaration To the Directors of Goldsearch Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Goldsearch Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A G Rigele
Partner - Audit & Assurance

Sydney, 30 September 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594
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GOLDSEARCH LIMITED**ABN 73 006 645 754****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

	Note	2016	2015
		\$	\$
Continuing operations			
Revenue	2	-	5,582
Other Income	2	191,338	3,626
Impairment of capitalised exploration expenses		-	(3,689,199)
Net loss on sale of financial assets	8	-	(21,451)
Loss on disposal of property, plant and equipment		-	(8,289)
Salary costs (including directors' fees)		(119,946)	(338,876)
Professional and legal fees		(185,662)	(363,681)
Share registry expenses		(63,989)	(63,955)
Occupancy expenses		(14,818)	(55,142)
Depreciation and amortisation		-	(3,698)
Other expenses		(38,429)	(45,362)
Loss before income tax expense	3	(231,506)	(4,580,445)
Income tax expense	4	-	-
Loss from continuing operations		(231,506)	(4,580,445)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Reclassification to profit or loss of net gain on revaluation of investments	8, 14	-	(43,803)
Loss attributable to members		(231,506)	(4,624,248)
Total comprehensive loss attributable to members		(231,506)	(4,624,248)
Loss per share attributable to the ordinary equity holders of the company			
Basic loss per share - cents	21	(2.04)	(0.59)
Diluted loss per share - cents	21	(2.04)	(0.59)

The accompanying notes form part of these financial statements

GOLDSEARCH LIMITED
ABN 73 006 645 754
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	20(a)	107,596	103,608
Trade and other receivables	6	14,865	8,670
Other assets	7	5,907	18,300
TOTAL CURRENT ASSETS		<u>128,368</u>	<u>130,578</u>
TOTAL ASSETS		<u>128,368</u>	<u>130,578</u>
CURRENT LIABILITIES			
Trade and other payables	12	406,539	792,783
TOTAL CURRENT LIABILITIES		<u>406,539</u>	<u>792,783</u>
TOTAL LIABILITIES		<u>406,539</u>	<u>792,783</u>
NET DEFICIENCY IN NET ASSETS		<u>(278,171)</u>	<u>(662,205)</u>
EQUITY			
Issued capital	13	34,798,272	34,104,932
Other contributed equity	13	-	77,800
Accumulated losses	5	(35,076,443)	(34,844,937)
TOTAL EQUITY		<u>(278,171)</u>	<u>(662,205)</u>

The accompanying notes form part of these financial statements

GOLDSEARCH LIMITED

ABN 73 006 645 754

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

		Issued capital		Reserves		Accumulated losses	Total
		Ordinary shares	Other contributed equity	Revaluation of available–for-sale assets	Share-based payments		
	Note	\$	\$	\$	\$	\$	\$
Balance at 1 July 2014		33,953,323	-	43,803	349,325	(30,613,817)	3,732,634
Shares issued during the year, net of issue costs	13(a)	151,609	-	-	-	-	151,609
Shares yet to be issued	13(e)	-	77,800	-	-	-	77,800
Options lapsed in period		-	-	-	(349,325)	349,325	-
Loss for the year	5	-	-	-	-	(4,580,445)	(4,580,445)
Other comprehensive income for the year	8	-	-	(43,803)	-	-	(43,803)
Total comprehensive income for the year		-	-	(43,803)	-	(4,580,445)	(4,624,248)
Dividends paid or provided for		-	-	-	-	-	-
Balance at 30 June 2015		34,104,932	77,800	-	-	(34,844,937)	(662,205)

The accompanying notes form part of these financial statements

GOLDSEARCH LIMITED
ABN 73 006 645 754

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

		Issued capital		Accumulated losses	Total
		Ordinary shares	Other contributed equity		
	Note	\$	\$	\$	\$
Balance at 1 July 2015		34,104,932	77,800	(34,844,937)	(662,205)
Shares issued during the year, net of issue costs	13(a)	615,540	-	-	615,540
Shares yet to be issued	13(e)	77,800	(77,800)	-	-
Loss for the year	5	-	-	(231,506)	(231,506)
Other comprehensive income for the year	8	-	-	-	-
Total comprehensive income for the year		-	-	(231,506)	(231,506)
Dividends paid or provided for		-	-	-	-
Balance at 30 June 2016		34,798,272	-	(35,076,443)	(278,171)

The accompanying notes form part of these financial statements

GOLDSEARCH LIMITED**ABN 73 006 645 754****STATEMENT OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

	Note	2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		(582,612)	(396,162)
Payments to related parties		(47,240)	(66,939)
Interest received		-	1,426
Rent received		-	4,617
Net cash used in operating activities	20(b)	(629,852)	(457,058)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for exploration activities		-	(33,296)
Proceeds from sale of available-for-sale investment		-	292,313
Proceeds from sale of property, plant and equipment		-	3,636
Bonds refunded		18,300	-
Net cash provided by investing activities		18,300	262,653
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		681,200	250,080
Share issue cost		(65,660)	(20,671)
Net cash provided by financing activities		615,540	229,409
Net increase in cash and cash equivalents held		3,988	35,004
Cash and cash equivalents at beginning of year		103,608	68,604
Cash and cash equivalents at end of year	20(a)	107,596	103,608

The accompanying notes form part of these financial statements

GOLDSEARCH LIMITED
ABN 73 006 645 754
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. STATEMENT OF ACCOUNTING POLICIES

(a) General

The financial statements are a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Goldsearch Limited as an individual company (the "Company" or "Goldsearch") for the year ended 30 June 2016, consolidated accounts have not been prepared based on the grounds of immateriality as set out in Note 24. Goldsearch is a listed public company, incorporated and domiciled in Australia. Goldsearch is a for-profit entity for the purpose of preparing the financial statements. The financial report was authorised for issue by the directors on 26 September 2016.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Reporting basis and conventions

These financial statements have been prepared on an accruals basis under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value.

Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgements and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Company. Actual results may differ from the estimates.

i) Fair value of financial assets

The Company records the fair value of financial assets using the market value of the investments at reporting date. While this represents the best estimate of the fair value as at the reporting date, the current market uncertainty means that, if the financial assets are sold in the future, the price achieved may be higher or lower than the most recent valuation, and higher or lower than the fair value recorded in the financial statements.

ii) Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and, where required, uses an interest rate to discount them.

Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

iii) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain plant and equipment.

GOLDSEARCH LIMITED
ABN 73 006 645 754
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements (continued)

iv) Going concern

The Company incurred a loss for the year of \$231,506 (2015: \$4,580,445) and net cash outflows from operating activities of \$629,852 (2015: \$457,058). Notwithstanding the deficit of assets of \$278,171, the financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business, notwithstanding the material uncertainties exist going forward which cast significant doubt on the Company's ability to continue as a going concern.

The ability of the Company to continue to pay its debts as and when they fall due is dependent upon successfully raising additional funds.

The Company has limited financial resources and will need to raise additional capital from time to time; any such capital raising will be subject to factors beyond the control of the Company and its Directors. When the Company requires further funding for its operations, then it is the Company's intention that the additional funds would be raised in a manner deemed most expedient by the Board of Directors at that time, taking into account working capital requirements, investment requirements, budgets, share market conditions, capital raising opportunities and the interests of the Company's shareholders.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- In August 2016, Goldsearch executed a binding Share Sale agreement with the vendors to acquire Zoono Group Limited, subject to shareholder approval.
- In conjunction with the Zoono acquisition, the Company will also conduct a capital raising of up to \$10,000,000 through the issue of up to 50,000,000 shares at an issue price of \$0.20 per share (post consolidation).
- the Directors have an appropriate plan to raise additional funds as and when they are required. In light of the Company's change in direction, the Directors believe that the additional capital required can be raised in the market by any one or a combination of the following: Placement of shares to excluded offerees, pro-rata issue to shareholders, and/or a further issue of shares to the public.
- the Directors can adopt an appropriate plan to contain operating and investing expenditure if appropriate funding is unavailable.
- In August and September 2016, the Company raised \$350,000 via issues of convertible notes;
- Current and past directors have agreed to defer accrued benefits payable of \$203,076 until the earlier of:
 - The completion of the Zoono Group Limited transaction as announced to the ASX on 19 August 2016; or
 - 12 months from the September 2016

GOLDSEARCH LIMITED
ABN 73 006 645 754
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements (continued)

(iv) Going concern (continued)

Should the Company not achieve the matters set out above, there is uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business at amounts different to those stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of asset carrying amounts or to the amounts of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

(b) Consolidation

The accounts are not consolidated as the directors have decided that such application is of no material consequence as the subsidiary companies have no activities other than as holders of exploration rights on certain tenements which are deemed to be insignificant.

Separate consolidated accounts of the consolidated entity formed by the Company and these wholly owned subsidiaries (refer to Note 24) have not been prepared on the grounds of immateriality.

(c) Comparative information

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented for the financial year.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Income tax

The charge for current income tax expense is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is charged to the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

GOLDSEARCH LIMITED

ABN 73 006 645 754

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(e) Income tax (continued)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Property, plant and equipment - Plant and equipment

Plant and equipment is measured on the cost basis less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

All fixed assets are depreciated over their estimated useful lives to the Company. Mining plant and equipment is depreciated in this manner over the estimated life of the relevant mine with due regard to each item's physical life limitations.

The depreciation rates used for each class of depreciable assets are:

<i>Class of fixed asset</i>	<i>Depreciation rate</i>
Plant and equipment	20 – 40% Diminishing value

Depreciation

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

(g) Exploration expenditure and mineral leases

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward if the rights to the area of interest are current and to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

GOLDSEARCH LIMITED

ABN 73 006 645 754

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(g) Exploration expenditure and mineral leases (continued)

Accumulated costs in relation to an abandoned area are written off in full against the result in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs will be determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Accounts payable

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services. Due to their short-term nature they are measured at amortised cost and not discounted. These amounts are unsecured and are usually paid within 30 days of recognition.

(i) Receivables

Trade receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment.

(j) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(k) Earnings per share

i) Basic earnings per share:

Basic earnings per share is determined by dividing the operating profit/(loss) after income tax excluding any cost of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year.

ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in determining earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

GOLDSEARCH LIMITED

ABN 73 006 645 754

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(l) Restoration, rehabilitation and environmental expenditure

Restoration, rehabilitation and environmental expenditure to be incurred during the production phase of operations is accrued when the need for such expenditure is established, and then written off as part of the costs of production of the mine property concerned. Significant restoration, rehabilitation and environmental expenditure to be incurred subsequent to the cessation of production at each mine property is accrued, in proportion to production, when its extent can be reasonably estimated.

(m) Employee benefits

i) Wages and salaries and annual leave:

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date represent present obligations in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the leave is taken.

ii) Long service leave:

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using projected unit credit method. Consideration is given to the expected future wage and salary level, experience of employee departures and periods of service. Expected future payments are discounted using government bond rates that match, as closely as possible, the estimated future cash outflows.

iii) Retirement benefit obligations

Contributions to defined contribution funds are recognised as an expense as they become payable.

(n) Business undertakings – joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Joint operations through farm in arrangements

For exploration and evaluation asset acquisitions (farm-in arrangements) in which the Company has made arrangements to fund a portion of the selling partner's (farmor's) exploration and/or future development expenditures (carried interests), these expenditures are reflected in the financial statements as and when the exploration and development work progresses or when the payments fall due. The Company reflects exploration and evaluation asset dispositions (farm-out arrangements), when the farmee correspondingly undertakes to fund carried interests as part of the consideration, on a historical cost basis with no gain or loss recognition.

GOLDSEARCH LIMITED
ABN 73 006 645 754
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(o) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(p) Share-based payments

The cost to the Company of share options granted to directors and executive officers is included at fair value as part of the directors' and executive officers' aggregate remuneration in the financial year the options are granted. The fair value of the share option is calculated using the Black Scholes option pricing model, which takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the current price and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value determined at the grant date of the equity settled share based payment is expensed on a straight line basis over the vesting period.

(q) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

State grant income is recognised where there is reasonable assurance that the grant will be received and all grant conditions will be met.

All revenue is stated net of the amount of goods and services tax (GST).

Other income

Realised gains and losses on sale are recognised as income or expense respectively in the statement of profit or loss and other comprehensive income and are calculated as the difference between consideration on sale and the original cost.

(r) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

GOLDSEARCH LIMITED
ABN 73 006 645 754
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(t) Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

(t) Provisions, contingent liabilities and contingent assets (continued)

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

(u) Segment reporting

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings.

(v) New and revised standards that are effective for these financial statements

A number of new and revised standards and interpretations became effective for the first time to annual periods beginning on or after 1 July 2015.

None of these standards and interpretations had a material impact on the Company.

(w) Accounting Standards issued but not yet effective and not been adopted early by the Company

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods.

We have reviewed the accounting standards and interpretations, there will be no material impact on the transactions and balances recognised in the financial statements.

GOLDSEARCH LIMITED**ABN 73 006 645 754****NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

2. REVENUE AND OTHER INCOME	2016	2015
Revenue from operating activities	\$	\$
Operating activities		
- Interest received	-	965
- Rent received	-	4,617
Total revenue from operating activities	-	5,582
Other income		
- Reversal of joint venture expenses	115,338	-
- Reversal of directors' termination benefit	76,000	-
- Gain on sale of equipment	-	3,626
Total other income	191,338	3,626
Total income from continuing activities	191,338	9,208

3. LOSS FOR THE YEAR

Loss before income tax has been determined after:

Depreciation of plant and equipment (refer to Note 8)	-	3,698
Depreciation expense	-	3,698
(Gain)/Loss on disposal of property, plant and equipment	-	(3,626)
Net loss on sale of financial assets	-	21,451
Rental expense on operating leases	14,818	42,355
Impairment of capitalised exploration expenses	-	3,689,199
Superannuation – defined contribution	-	11,148
Salary costs (including directors' fees)	119,946	338,876

Salary costs recognised in the 2016 financial year includes benefits of \$166,115 accrued but unpaid at 30 June 2016.

GOLDSEARCH LIMITED
ABN 73 006 645 754
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

4. INCOME TAX

	2016	2015
	\$	\$
The prima facie tax payable on loss is reconciled to the income tax expense as follows:		
Prime facie tax payable on loss before income tax at 30% (2015: 30%)	(69,452)	(1,374,133)
Add: tax effect of:		
- Other assessable and non-allowable items	17,260	1,258,431
- Net of current year tax losses not recognised and deductible items	(97,630)	(46,292)
- Deferred tax losses not recognised in accounts	149,822	161,994
Income tax expense/(benefit)	<u>-</u>	<u>-</u>

Subject to the provisions of the Income Tax Assessment Act, if the Company derives assessable income it will be able to utilise carry-forward losses. At 30 June 2016 the Company has estimated carry-forward tax losses, after adjusting for temporary differences, of approximately \$24,531,104 (2015: \$24,031,698) which amounts to an income tax benefit which has not been recognised in the statement of financial position of \$7,359,331 (2015: \$7,209,509).

Certain losses which have been incurred in the course of mining activities are only available for offset against future mining income. Due to the manner and nature of activities giving rise to these carry-forward tax losses, a detailed analysis would be required should the Company return to profits.

The net deferred tax asset will only be obtained if:

- (a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- (b) the Company continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in tax legislation adversely affect the Company in realising the benefit from the deduction of the loss.

Consequently, no deferred tax asset has been recognised.

5. ACCUMULATED LOSSES

Accumulated losses at beginning of year	(34,844,937)	(30,613,817)
Net loss attributable to members of Goldsearch Limited	(231,506)	(4,580,445)
Options lapsed during the year	-	349,325
Accumulated losses at end of year	<u>(35,076,443)</u>	<u>(34,844,937)</u>

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	2016	2015
	\$	\$
6. TRADE AND OTHER RECEIVABLES		
GST receivable	14,865	8,670

The above assets are not subject to any accrued interest and are not subject to any impairment on any past due amount. These amounts are receivable in the ordinary course of business. The full amounts are expected to be received within 30 days, and not past due.

7. OTHER ASSETS

Rental bond - held to maturity	-	18,300
Prepayments	5,907	-
	5,907	18,300

8. OTHER FINANCIAL ASSETS

Shares in controlled entities at cost (a) (Note 24)	-	-
Shares in listed companies - at fair value (i)	-	-
Shares in unlisted companies at cost (ii)	-	-
Provision for impairment (ii)	-	-
	-	-

(a) Shares in controlled entities are valued at cost as fair value is unable to be determined.

Reconciliation of other financial assets

Carrying amount at beginning of year	-	357,567
Value of investment sold	-	(292,313)
Impairment charge	-	(21,451)
Fair value movement through other comprehensive income	-	(43,803)
Carrying amount at end of year	-	-

- (i) Listed investments are recorded at fair value as available for sale financial assets which consist of the following material investments:

Minority interest in Morning Star Gold NL (MCO) shares.

As at 30 June 2016, Company held 1,732,108 MCO shares (2015:1,732,108) with nil fair value (2015: nil).

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8. OTHER FINANCIAL ASSETS (CONTINUED)

- (ii) Unlisted investments and provisions:

Minority interest in Capix Pty Ltd shares.

The Company made a provision for impairment on its investment in this company as of 30 June 2002 and the directors have continued to provide against this investment since that date.

There would be no material capital gains tax payable if these listed assets were sold at their market value at reporting date.

	2016	2015
	\$	\$
9. EXPLORATION AND EXPENDITURE		
<i>Mining expenditure (pre-production)</i>		
Exploration and evaluation expenditure carried forward in respect of mining areas of interest:		
Balance at beginning of year	-	3,740,565
Exploration expenditure, at cost capitalised during the year	-	148,634
Carrying values of exploration expenditure sold during the year	-	-
10% reduction in JV interest	-	(200,000)
	-	3,689,199
Impairment of capitalised exploration expenditure	-	(3,689,199)
Balance at end of year	-	-
Depreciation included in exploration expenditure	-	-

The Company ceased all exploration activities in the 2015 financial year.

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

10. BUSINESS UNDERTAKINGS – JOINT OPERATIONS

a) Chinalco Yunnan Copper – Mary Kathleen farm-in agreement

During the financial year, the Directors of the Company elected to reduce its share in this farm-in agreement by offsetting \$115,338 that was accrued and invoiced by CYU to conserve the Company's limited capital and reduce its liabilities as reported in the Statement of Financial Position. The Company's share has reduced to a 1.75% net smelter return royalty.

Subsequent to 30 June 2016, the Company relinquished all interests and rights in the Mary Kathleen JV as part of a restructure of its assets ahead of the Zoono transaction.

b) Queensland Mining Corporation joint venture

The Company shares a retained 1.5% net smelter return royalty on exploration permits EPM 13336 and EPM 15718.

11. EXPLORATION TENEMENTS

Expenditure commitments

During the year, the Company agreed to convert its interest in the Mary Kathleen joint venture interest to a net smelter royalty. This interest was further reduced to nil subsequent to year end. As such, there are no expenditure commitments at year end with respect to exploration tenements.

	2016	2015
	\$	\$
12. TRADE AND OTHER PAYABLES		
Trade creditors	213,425	453,851
Sundry creditors and accruals	193,114	337,254
Other payables	-	1,678
	<u>406,539</u>	<u>792,783</u>

The above amounts all relate to normal unsecured creditors incurred in the normal course of the Company's business operations and are within the credit terms of each relevant supplier or service provider.

13. ISSUED CAPITAL

(a) Issued shares*:

3,271,909 ordinary fully paid shares at beginning of year (2015: 2,774,554)	34,104,932	33,953,323
Issued during the year:		
11,356,667 (2015: 497,134) ordinary shares issued	681,200	172,280
Transfer from other contributed equity	77,800	-
Share issue cost	<u>(65,660)</u>	<u>(20,671)</u>
14,628,576 ordinary fully paid shares at end of year (2015: 3,271,909)	<u>34,798,272</u>	<u>34,104,932</u>

* Following a 250:1 share consolidation

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		2016	2015
		\$	\$
13. ISSUED CAPITAL (CONTINUED)			
b) Movement in issued shares during the year			
Date	Details	Number of shares	Number of shares
1 July	Opening balance	817,921,875	693,638,542
	Share consolidation (250:1)	(814,649,966)	
	Ordinary shares issued	11,356,667	124,283,333
30 June	Closing balance	<u>14,628,576</u>	<u>817,921,875</u>

Holders of ordinary shares are entitled to participate in dividends when declared and are entitled to one vote per share, either in person or by proxy, at shareholder meetings. In the event of winding up the Company, ordinary shareholders are ranked after all other creditors and are entitled to any proceeds of liquidation in proportion to the number of and amounts paid on the shares held.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(c) Movement in issued share options during the year:

The Company had no quoted options granted, the following table show the movement of unquoted options granted during the financial years:

Date	Details	Weighted average Exercise price	Expiry date	Number
<u>Unquoted options (f)</u>				
1 July 2014	opening balance	5.0 cents	1 December 2014	<u>21,250,000</u>
1 December 2014	expiry	5.0 cents	1 December 2014	<u>(21,250,000)</u>
30 June 2015	closing balance	-	-	<u>-</u>
30 June 2016	closing balance	-	-	<u>-</u>

(d) Uncalled capital:

No calls are outstanding at year end. All issued shares are fully paid.

(e) Shares yet to be issued:

The Company had received \$77,800 in valid applications as of 30 June 2015 in relation to the Company's current share placement plan (SPP) on offer to shareholders. These shares were issued on 12 August 2015, at which date they were reclassified from Other Contributed Equity to Issued Capital.

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13. ISSUED CAPITAL (CONTINUED)

(f) Capital management:

Management controls the capital of the Company in order to maintain a reasonable debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company currently has no debt funding available or external capital requirement. The Company's capital includes ordinary share capital share options and reserves. The financial liabilities are supported by financial assets.

Management effectively manages the Company capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of share issues. The Company strategy remains unchanged from prior year.

	2016	2015
	\$	\$
14. RESERVES		
Available-for-sale investments revaluation reserve		
Balance at beginning of year	-	43,803
Adjustment on sale of investment	-	(43,803)
Balance at end of year	-	-
Changes in the fair value of investments classified as available-for-sale financial assets are taken to the available-for-sale investments revaluation reserve. Amounts are recognised in profit and loss when the associated assets are sold or impaired.		
Share-based payment reserve		
Balance at beginning of year	-	349,325
Share based expenses	-	-
Expiry of options	-	(349,325)
Balance at end of year	-	-
The fair value of equity settled share-based payments to consultants and directors or their associates are recognised in the Statement of Profit or Loss and other Comprehensive Income on a straight line method over their vesting periods (refer to Note 15).		
Total reserves	-	-

GOLDSEARCH LIMITED**ABN 73 006 645 754****NOTES TO THE FINANCIAL STATEMENTS****FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016****15. SHARE-BASED PAYMENTS**

The following reconciles the outstanding share options on issue at the beginning and end of the financial year:

	2016		2015	
	Number of options (underlying securities)	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance at beginning of year	-	-	21,250,000	0.05
Granted during the year	-	-	-	-
Lapsed during the year	-	-	(21,250,000)	0.05
Balance at end of year	-	-	-	-
Exercisable at end of year	-	-	-	-

16. REMUNERATION OF AUDITORS

Amounts received or due and receivable by the auditors for:

	2016	2015
	\$	\$
- the review and the audit of the financial report	37,000	43,000

17. ECONOMIC DEPENDENCY

The Company's principal activity during the year was analysis of prospective investments, primarily in the healthcare industry. It had ceased all exploration activities in the 2015 financial year.

Other than interest derived from funds on deposit and dividends and capital growth from its investments, the Company does not derive income from any trading activity and is dependent upon the support of shareholders and the market to finance its on-going exploration program.

18. CONTINGENT LIABILITIES

The directors are not aware of any potential liabilities or claims against the Company as at the date to which these financial statements are made up.

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19. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated. Complete details of the remuneration of directors and key management personnel is set out in the Remuneration Report which forms part of the accompanying Directors' Report.

The totals of remuneration paid to key management personnel of the Company during the year are as follows:

	2016	2015
	\$	\$
Short-term employee benefits	119,946	186,251
Post-employment benefits	-	114,916
Consulting fees	56,240	27,075
	<u>176,186</u>	<u>328,242</u>

Details of shares and options held by key management personnel are included in the Remuneration Report set out in the accompanying directors' report.

Key management personnel related entity transactions

Ms Elissa Hansen, a director of Market Capital Group Pty Ltd trading as CoSec Services, provided company secretarial and consulting services to the Company. Charges for services provided during the year amounted to \$30,000 (2015: nil).

Mr Ben Callanan, a director of JB Advisory Services Pty Ltd, provided capital raising and consulting services to the Company. Charges for services provided during his period of service as a director of the Company amounted to \$26,240 (2015: nil).

The above amounts are in addition to directors' fees earned by Ms Hansen and Mr Callanan.

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20. STATEMENT OF CASH FLOWS

(a) Reconciliation of cash:

For the purposes of the statement of cash flows, cash includes:

- (i) cash on hand and at bank, cash on deposit, net of outstanding bank overdrafts; and
- (ii) investments in money market instruments with 30 days or less to maturity.

Cash as at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash on hand	700	700
Cash at bank	106,896	102,908
	<u>107,596</u>	<u>103,608</u>

(b) Reconciliation statement:

A reconciliation of "net cash used in operating activities" to "loss after income tax" is as follows:

Loss after income tax	(231,506)	(4,580,445)
<u>Add/(less)</u>		
Depreciation	-	3,698
Reversal of prior year expenses	(191,338)	-
Loss on disposal of property, plant & equipment	-	8,289
Write-off of capitalised exploration expenditure	-	3,689,199
Net (gain)/loss on sale of financial assets	-	21,451
Gain on sale of equipment	-	(3,626)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(6,195)	9,215
(Increase)/decrease in prepayments #	(5,907)	1,961
Increase/(decrease) in trade creditors and accruals#	(194,906)	393,200
Net cash used in by operating activities	<u>(629,852)</u>	<u>(457,058)</u>

Amounts reported are net of exploration expenditure.

The Company does not have any formal loan facilities in place at the date of these financial statements.

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	2016	2015
	\$	\$
21. EARNINGS PER SHARE		
The following reflects the income and share data used in the calculations of basic and diluted earnings per share (EPS):		
Basic loss cents per share (cents)	(2.04)	(0.59)
Diluted loss cents per share (cents)	(2.04)	(0.59)
Weighted average number of ordinary shares outstanding during the year used to calculated basic EPS	11,358,576*	780,636,441
Weighted average number of ordinary shares outstanding during the year used to calculated diluted EPS	11,358,576*	780,636,441
Loss from continuing operations used to calculated basic EPS and diluted EPS	(231,506)	(4,580,445)

* Following a 250:1 share consolidation

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

22. SEGMENT INFORMATION

Description of segments

Operating segments are identified on the basis of internal reports about the components of the Company that are regularly reviewed by the Chief Operating Decision Makers in order to allocate resources to the segment and to assess its performance. The Board of Directors reviews the Company as a whole in the business segment of phosphate and mineral exploration.

Minerals exploration Australia – Queensland

This segment covers all exploration investment and expenditure incurred in Queensland, which includes:

Mary Kathleen JV: The Company currently holds no interest in the Mary Kathleen JV (2015: 20%).

Other income is attributed to the write back of Mary Kathleen JV costs, which were initially expensed in the 2015 financial year. The Company's holding has reduced from 20% to a 1.75% net smelter return during the year.

Subsequent to year end, the Company relinquished all interests and rights in the Mary Kathleen JV as part of a restructure of its assets ahead of the Zoono transaction.

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22. SEGMENT INFORMATION (CONTINUED)

Minerals exploration Australia – Other

The Company ceased all exploration activities in the 2015 financial year.

Investments

The Company currently holds shares in Morning Star Gold NL (MCO), which last traded at 11 cents. However the shares were suspended from quotation on ASX as at 31 December 2012. Accordingly the directors have fully impaired this investment.

	Mineral exploration Australia			
	Queensland	Other	Investments	Total
2016				
Revenue	115,338	-	-	115,338
Expenses	-	-	-	-
Segment operating profit	115,338	-	-	115,338
Assets	-	-	-	-
2015				
Revenue	3,626	-	-	3,626
Expenses	(3,689,199)	-	(21,451)	(3,710,650)
Segment operating profit/(loss)	(3,685,573)	-	(21,451)	3,707,024
Assets	-	-	-	-

No Segment liabilities are disclosed because there is no measure of segment liabilities regularly reported to the chief operating decision maker.

The total presented for the Company's operating segments reconcile to the key financial figures as presented in its financial statement as follows:

	2016	2015
	\$	\$
Revenues		
Total reportable segment revenue	115,338	3,626
Other revenue	76,000	5,582
Company Revenue	<u>191,338</u>	<u>9,208</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. SEGMENT INFORMATION (CONTINUED)

	2016	2015
	\$	\$
Profit or loss		
Total reportable segment operating profit/(loss)	115,338	(3,707,024)
Other revenue not allocated	76,000	5,582
Other expenses not allocated	(422,844)	(879,003)
Company loss before tax	<u>(231,506)</u>	<u>(4,580,445)</u>
Assets		
Total reportable segment assets	-	-
Other assets	128,368	130,578
Company assets	<u>128,368</u>	<u>130,578</u>

Unallocated other income consist of the reversal of directors fees and unallocated expenses consist of administration and corporate overheads of running the Company during the year, the Other assets are consisting of unallocated cash and cash equivalent, receivables and other assets not allocated to any of the other segment assets.

23. FRANKING CREDITS

The amount of the franking credits available for subsequent reporting periods are:

<u>84,279</u>	<u>84,279</u>
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24. CONTROLLED ENTITIES

	Country of incorporation	Percentage owned 2016	Percentage owned 2015
Parent entity:			
Goldsearch Limited	Australia	-	-
Controlled entities:			
Caytale Pty Limited (i)	Australia	100%	100%
Chiljill Pty Limited (i)	Australia	100%	100%
Miltonpak Pty Limited (i)	Australia	100%	100%

- (i) The above subsidiary companies have no activities other than as holders of exploration rights on certain tenements in prior years. The Company is still considering the fate of these dormant subsidiaries.

The financial statement cover Goldsearch Limited as an individual entity, separate consolidated accounts of the consolidated entity formed by the Company and these wholly owned subsidiaries listed above have not been prepared on the grounds of immateriality.

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25. FINANCIAL RISK MANAGEMENT

Financial risk management policies

The Company's financial instruments consist mainly of current accounts with banks, accounts receivable and payable and investments in listed and unlisted companies.

i. Treasury risk management

Management considers on a regular basis the financial risk exposures and evaluates treasury management strategies in the context of the most recent economic conditions and forecasts.

The overall risk management strategy seeks to meet the Company's financial targets, whilst minimising potential adverse effects on financial performance.

Management operates under policies approved by the board of directors which approves and reviews risk management policies on a regular basis. These include future cash flow requirements.

ii. Financial risk exposures and management

The main risks the Company is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

(a) Market risk

The Company is subject to the normal economic factors including volatility of stock market prices and interest rates, both of which impact upon the availability of equity and debt capital respectively and the ability to realise listed investments if and when required.

(b) Foreign currency risk exposure

At reporting date, the Company was not exposed to any currency exchange risk through primary financial assets or liabilities.

(c) Interest rate risk exposure

The Company is exposed to interest rate risk through cash and deposits held. The Company continually monitors interest rates and financial markets for the Company's cash on deposit and regularly reviews future cash flow requirements. The following table summarises the interest rate risk for the Company, together with the effective weighted average interest rate for each class of financial assets and liabilities.

	Note	Floating interest rate	Fixed interest maturing in		Non - interest bearing		Total
			1 year or less	over 1 to 5 years	1 year or less	over 1 to 5 years	
			\$	\$	\$	\$	\$
2016							
Financial assets							
Cash	20	107,596	-	-	-	-	107,596
Net exposure to cashflow interest rate risk		107,596	-	-	-	-	107,596
Weighted average interest rate		-%	-	-	-	-	-%

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NOTES TO THE FINANCIAL STATEMENTS
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25. FINANCIAL RISK MANAGEMENT (CONTINUED)

ii. Financial risk exposures and management (continued)

		Floating	Fixed interest maturing in		Non - interest bearing		
	Note	interest rate	1 year or less	over 1 to 5 years	1 year or less	over 1 to 5 years	Total
2015		\$	\$	\$	\$	\$	\$
Financial assets							
Cash	20	103,608	-	-	-	-	103,608
Net exposure to cashflow interest rate risk		103,608	-	-	-	-	103,608
Weighted average interest rate		1.1%	-	-	-	-	-

(d) Credit risk exposure

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount, net of any provision for impaired receivables, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

Receivables due from major debtors are not normally secured by collateral, however the credit worthiness of debtors is monitored.

(e) Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows to ensure that adequate funding is maintained. The Company's financial liabilities consist of trade and other payables in the normal course of business and as such are normally due for payment within 30 days of receipt of a valid tax invoice. The Company does not have any liquidity risk associated with any borrowing.

(f) Price risk

The Company is not presently exposed to commodity price risk other than the commercial feasibility of various exploration and evaluation activities is sensitive to the expected pricing of the relevant resource, and the continuing volatility of stock markets which affect the unrealised fair value of the listed investments which are held as 'available-for-sale financial assets'. The Company currently holds these as long term investments.

The Company continually monitors the financial markets in relation to its holding of listed investments. The Company will only dispose of its investments when it believes that it is in the best interests for shareholders of the Company or when the liquidity of the Company requires it to realise the fair value of one or more of the Company's listed investments.

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NOTES TO THE FINANCIAL STATEMENTS
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25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Interest rate risk

It is Company policy to assess cash flow requirements and prevailing interest rates at the time of deciding the mixture of debt funding and either prevailing fixed and floating interest rate.

Interest rate risk on cash and short term deposits is not considered to be a material risk due to the short term nature of these financial instruments.

As at the reporting date a variance of +/- 100 basis points would have affected the Company's after-tax loss and equity by +/- \$1,056 (2015: +/- \$861).

26. REHABILITATION COSTS

No known commitments for rehabilitation costs exist as at the date of preparation of these financial statements.

27. EVENTS SUBSEQUENT TO REPORTING DATE

Zoono Transaction

In August 2016, Goldsearch executed a binding Share Sale agreement with the vendors to acquire Zoono Group Limited, subject to shareholder approval.

Consideration for the purchase is the issue and allotment of 94,500,000 fully paid ordinary Goldsearch Limited shares on a post-consolidation basis.

Goldsearch has proposed to undertake a 2:1 share consolidation prior to issuing the consideration shares.

The Company will also conduct a capital raising of up to \$10,000,000 through the issue of up to 50,000,000 shares at an issue price of \$0.20 per share (post consolidation).

Funding

In August 2016, the Company raised \$323,000 via issues of convertible notes.

Mary Kathleen JV

Subsequent to year end, the Company relinquished all interests and rights in the Mary Kathleen JV as part of a restructure of its assets ahead of the Zoono transaction.

No other matters or circumstances have arisen since 30 June 2016 that have significantly affected or may significantly affect:

- The Company's operations in future years;
- The results of those operations in future years; or
- The Company's state of affairs in future years.

28. COMPANY DETAILS

The registered office of the Company is:

c/- Traverse Accountants, Suite 305, Level 3, 35 Lime Street, Sydney NSW 2000.

The principal place of business of the Company is:

Level 4, 20 Loftus Street, Sydney NSW 2000.

GOLDSEARCH LIMITED

ABN 73 006 645 754

DIRECTORS' DECLARATION

The directors of Goldsearch Limited declare that:

1. The financial statements and associated notes for the financial year ended 30 June 2016:
 - (a) are in accordance with the Corporations Act 2001;
 - (b) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (c) the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1; and
 - (d) give a true and fair view of the financial position of the Company as at 30 June 2016 and the performance of the Company for the financial year then ended.
2. The chief executive officer/chief financial officer has declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. In the opinion of the directors there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

John Percival
On Behalf of the board of Directors

Director

Sydney,
30 September 2016

Level 17, 383 Kent Street
Sydney NSW 2000

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Independent Auditor's Report To the Members of Goldsearch Limited

Report on the financial report

We have audited the accompanying financial report of Goldsearch Limited (the "Company"), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Goldsearch Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Material uncertainty regarding going concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Company incurred losses after income tax of \$231,506; net cash outflows from operating activities of \$629,852 for the year ended 30 June 2016 and, as of that date, the company's current liabilities exceeded its current assets by \$278,171. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the remuneration report included in pages 5 to 8 of the directors' report for the year ended 30 June 2016. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Goldsearch Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



A G Rigele
Partner - Audit & Assurance

Sydney, 30 September 2016

GOLDSEARCH LIMITED
ABN 73 006 645 754

Shareholder Information

SPREAD OF SHAREHOLDERS

At 30 September 2016 there were 2,446 holders of Shares. Shareholders are entitled to one vote for each Share held.

Holdings Ranges	Holders	Total Units	%
1-1,000	2,123	333,642	2.281
1,001-5,000	194	455,649	3.115
5,001-10,000	52	376,303	2.572
10,001-100,000	42	1,109,348	7.583
100,001-99,999,999,999	35	12,353,634	84.449
Totals	2,446	14,628,576	100.000

The Company's shares are currently suspended from quotation on ASX following lodgement of an announcement regarding a proposed change of activities. The Company's securities will remain suspended until the Company had complied with Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3.

SUBSTANTIAL SHAREHOLDERS

The Company's register of substantial shareholders recorded the information as at 30 September 2016

Top 20 Holdings as at 30 September 2016

Holder Name	No. Shares	%
GRAHAM BAILRY EARCHMOVING PTY LTD <BAILEY FAMILY A/C>	800,000	5.469%
PACIFIC HOSPITALITY PTY LTD <BERMAGUI SUPER FUND A/C>	666,667	4.557%
PEGARI PTY LIMITED	666,667	4.557%
JOHN WARDMAN & ASSOCIATES PTY LTD <THE WARDMAN SUPERFUND A/C>	666,667	4.557%
L&S INVESTMENTS(AUST) PTY LTD <L&S SUPER FUND A/C>	666,667	4.557%
DNI INVESTMENTS PTY LTD <IOANNIDIS FAMILY A/C>	616,667	4.215%
MAJA NOMINEES PTY LTD <PERRY FAMILY A/C>	616,667	4.215%
MR GRAHAM ROBERT BROWN	500,000	3.418%
CAPITAL H MANAGEMENT PTY LTD <CAPITAL H A/C>	500,000	3.418%
COATES SMSL PTY LTD <COATES FAM PENSION FUND A/C>	500,000	3.418%
FORSYTH BARR CUSTODIANS LTD <FORSYTH BARR LTD-NOMINEE A/C>	472,405	3.229%
MR RICHARD GAZAL & MRS LAURA GAZAL <UNIC SUPER FUND	416,667	2.848%

GOLDSEARCH LIMITED
ABN 73 006 645 754

A/C>

NOMMACK SALES PTY LTD	400,000	2.734%
COLVIC PTY LTD	400,000	2.734%
BELMARK INVESTMENTS	400,000	2.734%
CARRINGBUSH ENTERPRISES PTY LTD	333,333	2.279%
CITY SECURITIES PTY LTD	333,333	2.279%
SNH IMPORTS PTY LTD <THE SMR FAMILY ACCOUNT>	333,333	2.279%
MOFFATT INVESTMENTS PTY LTD <MATTHEW MOFFATT FAMILY		
A/C>	266,667	1.823%
LUJAMA PTY LTD <MALTBY FAMILY A/C>	250,000	1.709%
TOTALS	9,805,740	67.031%

OPTIONS

No options were on issue at the date of this report.