

ASX RELEASE

28 October 2016

QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2016

During the quarter, Goldsearch Limited (ASX: GSE) executed a binding Share Sale to acquire Zoono Group Limited (**Zoono**), subject to Shareholder approval. Key terms of the Agreement remain unchanged from the Term Sheet as released to the market on 27 June 2016 and include consideration payable by the Company under the proposed transaction is 94,500,000 fully paid ordinary shares in the capital of the Company (Shares) on a post-Consolidation basis to Zoono Group Limited (or its nominee) and a number of conditions precedent including:

- Goldsearch completing full Due Diligence on Zoono and being satisfied in all respects including preparation of Audited Financial accounts (3 Years) of Zoono;
- Zoono completing full Due Diligence on Goldsearch and being satisfied in all respects;
- The successful re-compliance with ASX's admission requirements. This includes Chapters 1 & 2 of the ASX Listing rules and is conditional and subject to the successful capital raise;
- Both Goldsearch and Zoono obtaining all required shareholder approvals necessary for the proposed transaction;
- The Company undertaking a consolidation of capital on a ratio of 2:1, occurring simultaneously with the issue of the consideration (Consolidation);
- The Company completing a capital raising of up to AUD\$10,000,000 through the issue of up to 50,000,000 Shares at an issue price of AUD\$0.20 per Share, on a post-Consolidation basis via a Prospectus Offer in accordance with Section 710 of the Corporations Act; and
- The appropriate parties entering into escrow agreements.

During the quarter the Company has completed extensive due diligence on Zoono and three years of Audited Financial Account for Zoono have been prepared. In the Directors' opinion, there are no matters, items or events revealed would prohibit completion of the acquisition.

The Company is currently completing the Notice of Meeting to put the required resolutions to Shareholders to approve the transaction. This Notice will include an Independent Expert's Report on the transaction for Shareholders' information. The Company expects to lodge this with ASX and mail the same to Shareholders shortly.

The Company is also drafting a Prospectus for the public Offer of up to \$10,000,000. This will also be used to assist in the re-compliance with Chapters 1 and 2 of ASX Listing Rules.

During the quarter Goldsearch issued 323,000 Convertible Notes to sophisticated and professional investors at \$1.00 per Note to raise \$323,000. The Conversion Right of the Convertible Notes is subject to Shareholder approval.

Funds raised from the issue of Convertible Notes are being used for working capital and costs associated with re-compliance and re-listing on ASX including legal fees, audit fees, independent

expert's fees, accounting fees, directors' fees, ASX fees, advisor fees, fees associated with preparing, printing and mailing the Annual Report and Notice of Meeting and subsequently, the prospectus.

For further information please contact:

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