Goldsearch

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6 December 2012

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

Via ASX Online   Number of pages - 8

Dear Sir,

Re: Appendix 3B - Proposed rights issue

The directors of Goldsearch advise that they have today resolved to proceed with a one-for-one non-renounceable rights issue of new shares and attached options at an issue price of 1 cent per share and option package. The issue is being made to raise additional working capital primarily to fund the on-going contributions to the explorations costs on the Mary Kathleen joint venture project with Chinalco Yunnan Copper Resources Limited (CYU).

The terms of the issue, as presently known, are set out in the attached Appendix 3B.

Whilst the issue will not be underwritten, Novus Capital Limited has been appointed as broker to the issue and certain shareholders have committed to accept an aggregate minimum of approximately $1,200,000 of their entitlements, thus ensuring the raising of a minimum of this amount.

The directors are in the process of finalising the issue timetable and preparing a prospectus for the issue.

An updated Appendix 3B report will be lodged with a copy of the prospectus when it has been finalised and lodged with ASIC.

For and on behalf of
Goldsearch Limited

P S Hewson
Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Goldsearch Limited

ABN

73 006 645 754

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Ordinary shares Options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	533,276,517 ordinary shares and 533,276,517 options
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	<u>Share</u> Same terms as existing ordinary shares. <u>Options</u> • Exercise price is 2.5 cents. • The options expire on 30 June 2014 and may be exercised at any time from the date of issue to date of expiry.

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes. The new shares will rank equally in all respects with existing ordinary shares from the date of allotment. The options are a new class of securities and any shares issued on exercise of the options will rank equally with ordinary shares at the time.
5	Issue price or consideration	1 cent ($0.01) per share Options to be issued for no consideration
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To raise additional working capital required to fund the Company's on-going contribution to exploration costs on the Mary Kathleen joint venture with Chinalco Yunnan Copper Resources Limited.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	N/A
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of securities issued under an exception in rule 7.2	N/A
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	To be advised

8 Number and +class of all +securities quoted on ASX (*including* the securities in section 2 if applicable)

Number	+Class
1,066,553,034	Ordinary fully paid shares (GSE)
533,276,517	Quoted options exercisable at 2.5cents each expiring 30 June 2014

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in section 2 if applicable)	22,250,000	Unquoted options exercisable at 5 cents each and expiring 1 December 2014

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	One share for every one share held at the record date plus 1 option for every new share applied for and issued
14	+Class of +securities to which the offer relates	Ordinary shares Options to acquire ordinary shares
15	+Record date to determine entitlements	To be advised
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Fractions to be ignored
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	To be advised

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	To be advised
20	Names of any underwriters	The issue will not be underwritten
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	Novus Capital Limited
23	Fee or commission payable to the broker to the issue	Management fee of 5% up to a maximum of $45,500 plus 3% on acceptances bearing their stamp
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Handling fee of 3% to ASX brokers on acceptances bearing their stamp
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	To be advised
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements *in full* through a broker?	N/A

+ See chapter 19 for defined terms.

31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	To be advised

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

To be advised

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

To be advised

+ See chapter 19 for defined terms.

37 ☐ A copy of any trust deed for the additional +securities

Not applicable

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A
39	Class of +securities for which quotation is sought	N/A
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	N/A

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class
N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 6 December 2012
(Company secretary)

Print name: Paul Hewson

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+ See chapter 19 for defined terms.