

gsh/psh/gsh862

28 December 2012

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

Number of pages - 53

Dear Sir,

Prospectus and Appendix 3B

Goldsearch Limited (the "Company" or "GSE") refers to its announcement made on 6 December 2012 regarding a proposed 1 for 1 non renounceable rights issue at 1.0 cent per share (together with one attaching new option for every one new share issued) to raise approximately \$5.3 million.

The Company is pleased to announce that a prospectus for the rights issue has been lodged with ASIC by mail today.

All shareholders who are registered as shareholders as at 7.00 pm on the record date of 9 January 2013 with a registered address in Australia or New Zealand will be entitled to participate in the rights issue.

The following documents in relation to the rights issue are enclosed for release to the market:

- (a) a copy of the prospectus;
- (b) a sample entitlement and acceptance form;
- (c) an updated Appendix 3B;
- (d) the text of a letter to be mailed to all eligible shareholders in accordance with Appendix 7A of the ASX Listing Rules;
- (e) the text of a letter to be mailed to the holders of options to acquire ordinary shares in GSE; and
- (f) text of a letter to be mailed to ineligible overseas shareholders.

The prospectus and a personalised entitlement and acceptance form are expected to be mailed to shareholders by 15 January 2013.

For and on behalf of
Goldsearch Limited



P S Hewson
Secretary

Goldsearch Limited

ACN 006 645 754

PROSPECTUS

1 for 1 non-renounceable rights issue offer of
approximately 533,276,517 New Shares
at 1 cent per New Share (together with 1 attaching New Option
exercisable at 2.5 cents on or before 30 June 2014 for every 1 New
Share subscribed for and issued) to raise up to approximately \$5.3
million

This offer is not underwritten.

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the action you should take, consult your stockbroker, accountant, financial or other professional adviser immediately.

An investment in the New Shares and New Options offered by this Prospectus should be considered speculative.

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Accompanying this Prospectus is a personalised Entitlement and Acceptance Form.

SUMMARY OF KEY DATES

Lodgement of Prospectus with ASIC and ASX	28 December 2012
Existing Shares quoted ex-rights	3 January 2012
Record Date to determine Entitlements under the Rights Issue	9 January 2013
Prospectus and Entitlement and Acceptance Forms despatched and opening date of the Rights Issue	15 January 2013
Closing Date - final day for receipt of Entitlements and Acceptance Forms and Acceptance Moneys	5 February 2013
Commencement of deferred settlement period – New Shares commence trading on a deferred settlement basis*	6 February 2013
Company notifies ASX of under subscriptions	8 February 2013
Allotment of New Shares and New Options	13 February 2013
Despatch of holding statements for New Shares and New Options	13 February 2013
Expected date for commencement of normal trading of New Shares on the ASX*	14 February 2013

* The New Options will only commence trading on the ASX if the ASX approves the quotation of the New Options. It is expected that the Company will be able to advise if the ASX approves the quotation of the New Options by 15 February 2013.

Subject to the Listing Rules, the Company reserves the right to vary the timetable without notice, including by extending the Closing Date or closing the Rights Issue early.

IMPORTANT NOTICE

This Prospectus is dated 28 December 2012. A copy of the Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX takes responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates. This Prospectus expires 13 months after the date of this Prospectus. No Securities will be issued or allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Application for admission of the New Shares and New Options to quotation on ASX will be made to ASX within 7 days after the date of this Prospectus.

Eligible Shareholders should read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered speculative.

Continuous Disclosure

This is a Prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) of the Company and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Restrictions on the distribution of this Prospectus

The Securities being offered under this Prospectus pursuant to the Rights Issue are being offered to Eligible Shareholders, being Shareholders with a registered address in Australia or New Zealand at 7.00 pm on the Record Date.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this document should seek advice on and observe

any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the Securities or to otherwise permit a public offering of the Securities, outside Australia and New Zealand. The Securities may not be offered in a jurisdiction outside Australia and New Zealand where such an offer is not made in accordance with the laws of that place.

More detail regarding restrictions on the distribution of this Prospectus, and limitations upon the jurisdictions in which the offers under the Prospectus are made, is set out in section 1.12.

New Zealand Notice

The Offer to New Zealand investors pursuant to this Prospectus are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001 (Cth). In New Zealand, this is Part 5 of the Securities Act 1978, Securities Regulations 2009 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. The Australian Corporations Act and Corporations Regulations 2001 (Cth) set out how the Offer must be made. There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Securities is not New Zealand dollars. The value of the Securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the Securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The Company will apply to the ASX for quotation of the Securities offered under this Prospectus. If quotation is granted, the Securities offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the Securities through that market, you will have to make arrangements for a participant in that market to sell the Securities on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the Securities and trading may differ from securities markets that operate in New Zealand.

The Company is required under Part 1 of the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008 to provide an Eligible Shareholder with copies of the Company's Constitution on request and free of charge.

Risk factors

This Prospectus does not take into account your investment objectives, financial situation and particular needs. In particular, you should consider the risk factors that could affect the performance of the

Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to invest. A number of key risk factors that you should consider are outlined in section 4.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Rights Issue which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, the Directors or any other person in connection with the Rights Issue.

Forward looking statements

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as "anticipate", "estimate", "should", "will", "expects", "plans" or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

Definitions

Some capitalised words or terms in this Prospectus have defined meanings which appear in the Glossary in section 7.

A reference to time in this Prospectus is to Australian Eastern Daylight Savings Time.

A reference to \$ and cents is to Australian currency, unless otherwise stated.

Electronic copy of the Prospectus

This Prospectus is issued in paper form only.

Eligible Shareholders will be mailed a copy of this Prospectus, accompanied by a personalised Entitlement and Acceptance Form. If you wish to apply for New Shares and New Options, you may only do so by completing and returning an Entitlement and Acceptance Form that accompanies a paper version of this Prospectus.

This Prospectus has been placed on the Company's website at www.goldsearch.com.au for information purposes only. Eligible Shareholders cannot apply for New Shares and New Options pursuant to the electronic version of this Prospectus.

Privacy

The Entitlement and Acceptance Form requires you to provide information that may be personal information for the purposes of the Privacy Act. The Company (and the Share Registry on its behalf) collects, holds and uses that personal information in order to assess your Application, service your needs as an investor, provide facilities and services you request and carry out appropriate administration. If you do not provide the information requested, your Application may not be processed efficiently, or at all.

Your personal information may also be disclosed to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. Your information may also be used or disclosed from time to time to inform you about the Company's products or services that the Company thinks may be of interest to you. If you do not want your personal information used for this purpose, you should contact the Company through the Share Registry at the telephone number or address listed below.

Under the Privacy Act, you may request access to your personal information held by, or on behalf of, the Company or the Share Registry. You can request access to your personal information by telephoning or writing to the Share Registry as follows:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

Telephone: 1300 737 760 (within Australia) or
+ 61 2 9290 9600 (outside Australia)

THIS PROSPECTUS IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY.

LETTER TO SHAREHOLDERS

28 December 2012

Dear Shareholder

On behalf of the board of Goldsearch Limited, I invite you, as an Eligible Shareholder, to participate in a non-renounceable Rights Issue.

The Rights Issue provides all Eligible Shareholders the opportunity to invest in one New Share for every one Existing Share held at 7.00 pm on the Record Date with 1 attaching New Option for every 1 New Share subscribed for and issued. The New Shares will be issued at 1 cent per New Share. In addition, Eligible Shareholders may apply for Additional Shares (and attaching Additional Options) over and above their Entitlement at the same price of 1 cent per Additional Share, if and to the extent there is any Shortfall. Further details are included in sections 1.2 and 2 of the Prospectus for the Rights Issue.

The Prospectus was lodged with ASIC on 28 December 2012 and a copy will be sent to all Shareholders of the Company who are on the register of members as at 7.00 pm on 9 January 2013 and who have registered addresses in Australia or New Zealand.

The funds to be raised from the Rights Issue will be used to meet ongoing working capital requirements of the Company and to pay the costs of the Rights Issue. Further details on the proposed use of funds are set out in section 3.1 of the Prospectus for the Rights Issue.

To find out what you need to do to participate in the Rights Issue, please refer to section 2 of this Prospectus. I urge you to read the Prospectus thoroughly. The Prospectus is intended to be read in conjunction with publicly available information relating to the Company. This information regarding the Company can be accessed via links on the Company website, www.goldsearch.com.au.

Each of the Company's Directors have indicated that they intend to take up part of their Entitlements under the Rights Issue and, in aggregate, have indicated they will apply for a minimum of 17,300,000 New Shares (\$173,000).

On behalf of the Board, I take this opportunity to thank each of our Shareholders and look forward to your support of the Rights Issue.

Yours sincerely,



John Landerer CBE AM
Chairman

1. DETAILS OF THE OFFER

1.1 General

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable Rights Issue of approximately 533,276,517 New Shares. The Rights Issue will be conducted on the basis of one New Share for every one Existing Share held by Eligible Shareholders at 7.00 pm on the Record Date, at an issue price of 1 cent per New Share payable in full on application.

The Company will also grant 1 attaching New Option for every 1 New Share subscribed for and issued. The New Options will have an exercise price of 2.5 cents and will expire on 30 June 2014.

A summary of the rights and liabilities attaching to New Shares and New Options is set out in sections 6.1 and 6.2. New Shares will be issued on the same terms and rank equally in all respects with Existing Shares.

1.2 Additional Shares and Additional Options

Eligible Shareholders who take up their full Entitlement may also apply for Additional Shares (and attaching Additional Options). Applications for Additional Shares may be considered if not all of the Offer Securities are taken up by the Eligible Shareholders under the Offer. Applications for Additional Shares will be satisfied prior to the Shortfall Offer referred to in Section 1.13. Additional Shares will be issued at the discretion of the Directors and, as a result, there is no guarantee that you will receive Additional Shares. See section 2.3 for further details.

In the event that Entitlements are not taken up in full, Eligible Shareholders who have taken up all of their Entitlement and have made an application for Additional Shares (and attaching Additional Options) may be allocated Additional Shares and Additional Options as follows:

- (a) the number of Additional Shares allocated to an Eligible Shareholder who has applied for Additional Shares will be at the discretion of the Directors;
- (b) an Eligible Shareholder will be allocated one Additional Option for every one Additional Share allocated to them (if any);
- (c) the Directors reserve the right to allocate Additional Shares to Eligible Shareholders in part or not at all;
- (d) an Eligible Shareholder will not receive more Additional Shares than they have applied for; and
- (e) allocations will be made in a way such that all laws, in particular the takeovers prohibitions in Chapter 6 of the Corporations Act, are complied with.

There is no guarantee that Eligible Shareholders will be successful in being allocated any of the Additional Shares and Additional Options that they may apply for. If an application for Additional Shares is scaled back or the Directors decide not to issue Additional Shares to an Eligible Shareholder, the Application Moneys for those Additional Shares which are not issued to the applicant will be returned to the applicant without any payment of interest.

1.3 Underwriting

The Rights Issue is not underwritten.

1.4 Use of funds

The purpose of the Offer is to raise up to \$5,332,765.

The gross proceeds of the Rights Issue are intended to be used for the purposes and in the amounts as set out in the table in section 3.1 of this Prospectus.

1.5 Record Date and Entitlements

The Record Date for participation in the Rights Issue is 7.00 pm (Sydney time) on 9 January 2013.

The Entitlement of an Eligible Shareholder to subscribe for New Shares is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus.

1.6 Minimum subscription

There is no minimum subscription under the Rights Issue.

1.7 Opening and Closing Date for Applications

The Rights Issue opens for acceptances on 15 January 2013 and all Entitlement and Acceptance Forms and Acceptance Moneys must be received by no later than 5pm (Sydney time) on 5 February 2013, subject to the Directors reserving the right to vary the Closing Date in accordance with the Listing Rules.

1.8 Trading of Entitlements

The Entitlements to New Shares are non-renounceable, which means they cannot be sold. Refer to section 2 for instructions on how to deal with your Entitlement.

1.9 ASX quotation

The Company will apply to ASX for the quotation of the New Shares and New Options within seven days of the date of this Prospectus. If the New Shares are not granted quotation within three months after the date of the Prospectus, all Acceptance Moneys received will be returned (without interest) in accordance with the Corporations Act.

The New Options constitute a new class of security to be quoted on ASX requiring the New Options to meet the criteria for a new class of security to be quoted by ASX pursuant to the Listing Rules. The Company cannot guarantee that quotation of the New Options will meet the minimum holder (50 holders of New Options) criteria. The Company intends to use reasonable endeavours to ensure that the minimum holding criteria is met and that ASX approval of quotation of the New Options is received.

If quotation approval is not granted, the New Options will not be quoted, however, the Company will apply for the quotation of any resultant Shares issued by the Company on exercise of each New Option. If the New Options receive quotation approval, quotation is expected to commence on or about 14 February 2013.

1.10 Market prices of Shares on ASX

The lowest and highest market prices of Shares on ASX during the 3 months immediately preceding the date of this Prospectus were 0.8 cents on 3 October 2012 and 1.6 cents on 1 November 2012 respectively.

The last price of Shares on ASX prior to the date of this Prospectus was 1.0 cent, which trade occurred on 18 December 2012.

1.11 Allotment of New Shares and New Options

The allotment of the New Shares and New Options will take place as soon as practicable after the Closing Date (expected to be 13 February 2013). It is expected that holding statements for the New Shares and New Options will be posted to you no later than 13 February 2013. However, if the Closing Date is extended, the dates for allotment and posting may also be extended.

No allotment of New Shares will be made until permission is granted for their quotation by ASX.

All Acceptance Moneys will be held in trust by the Company in a designated account until allotment or payment of refunds in accordance with the Corporations Act. Any interest earned on the Acceptance Moneys will be retained by the Company, irrespective of whether allotment takes place.

1.12 Shareholders outside Australia and New Zealand

General Restrictions

This Prospectus and accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the Entitlements or Securities, or to otherwise permit an offering of the Entitlements or Securities, outside Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this document should seek advice on and observe any such restrictions. A failure to comply with these restrictions may constitute a violation of applicable securities laws.

The Company reserves the right to treat as invalid any Entitlement and Acceptance Form that appears to have been submitted by an Ineligible Shareholder.

It is the responsibility of any applicant to ensure compliance with any laws of the country relevant to their Application. Return of a duly completed Entitlement and Acceptance Form and/or payment of the Acceptance Moneys will be taken by the Company to constitute a representation that there has been no breach of such laws and that the applicant is physically present in Australia or New Zealand.

Ineligible Shareholders

The Company is not extending the Rights Issue to Ineligible Shareholders having regard to:

- (a) the cost of complying with legal and regulatory requirements outside Australia and New Zealand;
- (b) the number of Ineligible Shareholders; and
- (c) the number and value of New Shares which would otherwise be offered to Ineligible Shareholders.

Where the Prospectus has been despatched to Ineligible Shareholders, the Prospectus is provided for information purposes only.

In limited circumstances the Company may elect to treat as Eligible Shareholders certain Shareholders who would otherwise be Ineligible Shareholders, provided the Company is satisfied that it is not precluded from lawfully issuing Securities to such Shareholders either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.

1.13 Shortfall Offer

New Shares not taken up by Eligible Shareholders (including pursuant to applications for Additional Shares) will form part of the Shortfall Offer. The issue price of any Shares offered pursuant to the Shortfall Offer will be 1 cent each, being the same price as the New Shares offered to Eligible Shareholders pursuant to the Offer. Shortfall Shares will only be issued if the Offer is undersubscribed. In such circumstances, the Directors reserve the right to place the Shortfall at their discretion within 3 months after the close of the Offer, subject to the ASX Listing Rules and any other applicable law.

1 New Option with an exercise price of 2.5 cents and an expiry date of 30 June 2014 will be issued for every 1 New Share subscribed for and issued under the Shortfall Offer.

Allotment of Shortfall Shares under the Shortfall Offer may occur on a progressive basis at any time on or after the date of allotment of New Shares under the Offer.

1.14 Unquoted Options

As at the date of this Prospectus, the Company had 21,250,000 unquoted Options on issue. These Options can be exercised on or before 1 December 2014 and will lapse if not exercised by that date.

None of the 21,250,000 Options carry Entitlements to participate in the Rights Issue.

1.15 Taxation considerations

Shareholders should be aware that there are taxation implications for subscribing for New Shares acquired pursuant to this Prospectus.

The taxation consequences will depend upon your particular circumstances.

Potential investors must make their own enquiries concerning the taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

Neither the Company nor any of its officers, employees, agents and advisers accept any liability or responsibility in respect of the taxation consequences connected with your participation in the Rights Issue.

2. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS

2.1 What you may do – choices available

The number of New Shares to which an Eligible Shareholder is entitled is shown on the Entitlement and Acceptance Form that accompanies this Prospectus. If you are an Eligible Shareholder you may either:

- take up your Entitlement in full or in part (see section 2.2); or
- take up your Entitlement in full and apply for Additional Shares (see section 2.3); or
- take no action and allow your Entitlement to lapse (see section 2.4).

2.2 Accepting your Entitlement in full or in part

Complete the Entitlement and Acceptance Form by inserting the number of New Shares you wish to apply for. Complete the balance of the form in accordance with the instructions set out on it.

Payment may be made by cheque or BPay[®]. The Issue Price of 1 cent per New Share is payable in full on acceptance of your Entitlement.

(a) **Payment by cheque**

Forward your completed Entitlement and Acceptance Form, together with your cheque for the Acceptance Moneys, to the Share Registry at the address set out in section 2.5. Completed Entitlement and Acceptance Forms and cheques must be **received** by no later than 5pm (Sydney time) on 5 February 2013.

Cheques must be drawn on and payable at any Australian bank, and made payable to "Goldsearch Limited – Rights Issue Account" and crossed "Not Negotiable".

(b) **Payment by BPay[®]**

Payment by BPay[®] should be made according to the instructions set out on the Entitlement and Acceptance Form. Acceptance Moneys paid by BPay[®] must be received by 5 pm (Sydney time) on 5 February 2013. If the BPay[®] payment is for any reason not received or not received in full, you will be deemed to have applied for the number of New Shares that the cleared moneys will pay for.

Shareholders should be aware of the timing for the processing of payment by cheque and BPay[®] in choosing the appropriate payment method.

Lodgement of the Entitlement and Acceptance Form constitutes an irrevocable offer made in accordance with the provisions of the form.

Applicants are asked not to forward cash. Receipts for payments will not be issued.

Acceptance Moneys will be held in trust by the Company in a designated account until allotment. Any interest earned on the Acceptance Moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

2.3 Apply for Additional Shares and Additional Options

If you are an Eligible Shareholder and wish to take up your Entitlement in full, you may also apply for Additional Shares (and Additional Options) in excess of your Entitlement.

Any such Application for Additional Shares will be dealt with as follows:

- (a) An Eligible Shareholder, to apply for any Additional Shares (and Additional Options), must first have taken up all of their Entitlement.
- (b) An Eligible Shareholder will not be entitled to any Additional Shares (and attaching Additional Options) to the extent the issue and allotment of those Additional Shares will result in a breach of any law or an Eligible Shareholder obtaining voting power in Shares of greater than 20%.
- (c) As to whether all or any Additional Shares (and Additional Options) are allocated to Eligible Shareholders who have applied for Additional Shares (and Additional Options) is at the discretion of the Directors.

The Company does not guarantee that you will receive any of the Additional Shares (and Additional Options) that you may apply for.

The application price for Additional Shares is 1 cent per Additional Share, the same price as New Shares are offered under the Rights Issue.

If you wish to apply for Additional Shares (and attaching Additional Options), insert the number of Additional Shares you wish to apply for in the Acceptance Payment Details section on the accompanying Entitlement and Acceptance Form. You must also provide payment with your Entitlement and Acceptance Form to cover all of the Additional Shares for which you are applying.

Payment should be made, and the completed Entitlement and Acceptance Form should be forwarded to the Share Registry, in accordance with the instructions for the payment for New Shares in section 2.2.

If you are not allocated all or any of the Additional Shares (and attaching Additional Options) that you have applied for, you will be provided with a refund of the balance of the Acceptance Moneys as well as your allocated Additional Shares (and attaching Additional Options).

The number of Additional Shares (and attaching Additional Options) available to Eligible Shareholders applying for Additional Shares (and attaching Additional Options) will be determined within 3 Business Days of the Closing Date. Additional Shares (and attaching Additional Options) will be issued at the same time as all the other Securities under the Rights Issue. If you have applied for Additional Shares, you will be notified of the number of Additional Shares (and attaching Additional Options) to be issued to you at the time of despatch of holding statements for Securities under the Rights Issue.

Securities (including Additional Shares (and attaching Additional Options)) are expected to be issued and allotted and holding statements despatched by 13 February 2013. It is the responsibility of Shareholders to confirm the number of Securities allotted to them prior to trading on ASX. Shareholders who sell their Securities before they receive their holding statements do so at their own risk.

2.4 Not accepting any part of your Entitlement

The Entitlements you are entitled to may be valuable. You will receive no benefit for Entitlements which lapse. Accordingly it is important that you consider taking action to accept your Entitlements.

To the extent that you do not accept your Entitlement, then New Shares and New Options representing your Entitlement may be sold to an Eligible Shareholder who applies for Additional Shares or to persons under the Shortfall Offer.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will fall.

2.5 Address details and enquiries

When paying by cheque, please forward the completed Entitlement and Acceptance Form and cheque for the Acceptance Moneys to the Share Registry by mail in the enclosed prepaid envelope or deliver to the following address:

By mail:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

OR

By hand delivery:

Boardroom Pty Limited
Level 7
207 Kent Street
Sydney NSW 2000

For further information on your Entitlement or how to accept your Entitlement, please contact the Share Registry as follows:

Boardroom Pty Limited

Telephone:

1300 737 760 (within Australia) or
+ 61 2 9290 9600 (outside Australia)

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$5,332,765 before expenses. Expenses related to the Offer are expected to be approximately \$197,000. No funds will be raised from the issue of the New Options.

The gross proceeds to be raised from the Offer are planned to be used in accordance with the table set out below:

Use of proceeds if full amount raised	\$	%
Expenses related to the Offer	197,000	3.5%
General working capital and administration expenses	1,235,765	23.4%
Exploration costs for the Mary Kathleen joint venture Elaine project	3,900,000	73.1%
Total	\$5,332,765	100%

There is no minimum subscription under the Offer and the Offer is not underwritten. If less than 533,276,517 New Shares are issued pursuant to the Rights Issue, then the Company will raise less than \$5,332,765. In this case, it is intended that the gross proceeds of the Rights Issue will be used in accordance with the table set out below:

Use of proceeds if less than full amount raised	\$
Expenses related to the Offer	The first \$127,000
Corporate and administration expenses for the next 12 months	The next \$600,000
Exploration costs for the Mary Kathleen joint venture Elaine project	The balance of proceeds raised

The above tables are a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the proceeds are ultimately applied. The Board reserves the right to alter the way proceeds are applied on this basis.

3.2 Capital structure

As at the date of this Prospectus:

- (a) The Company has 533,276,517 Shares on issue.
- (b) The Company has 21,250,000 unquoted Options on issue, and each Option is exercisable into one Share for an exercise price of 5 cents (and each Option, if not exercised, expires on 1 December 2014).

The holders of the Options will not be eligible to participate in the Rights Issue unless they exercise their Options under the terms of their issue and they do so prior to the Record Date. It is unlikely any of the Options will be exercised before the Record Date, as the exercise price of the

Options exceeds the closing Share price on the last trading day prior to the date of this Prospectus.

If all of the Eligible Shareholders take up their Entitlements under the Offer in full, a total of approximately 533,276,517 New Shares and 533,276,517 New Options will be issued under this Prospectus as a result of the Rights Issue, assuming that no Shares are issued pursuant to the exercise of the Options on or before the Record Date.

The following table shows the proposed capital structure of the Company on completion of the Rights Issue where all Eligible Shareholders take up their Entitlements under the Offer in full:

Security	Number at date of this Prospectus	Number following Completion of Offer*
Shares	533,276,517	1,066,553,034
Options	21,250,000	554,526,517

* The above table assumes that no Shares are issued pursuant to the exercise of any of the Options on or before completion of the Rights Issue.

3.3 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the shares on issue are as set out below:

Shareholder	Shares	%
Wingett Nominees Pty Limited	50,000,000	9.376%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

3.4 Effect on control of Company

The Offer is not expected to have any material impact on control of the Company.

3.5 Financial effect of Offer on Company - Pro Forma Statement of Financial Position

Introduction

The effect of the Offer on the Company's financial position, if all of the Eligible Shareholders take up their Entitlements in full, will be to increase consolidated net assets and consolidated total equity by up to \$5,135,765 after payment of the cash expenses of the Rights Issue which are estimated at \$197,000. It is intended that these funds will be applied as set out in section 3.1 of this Prospectus.

To illustrate the effect of the Offer on the Company, the following unaudited pro forma consolidated statement of financial position of the Company has been prepared based on the Company's audited consolidated statement of financial position as at 30 June 2012 (which was released to ASX on 13 September 2012).

This section should be read in conjunction with the risk factors as set out in section 4, when considering the financial information and assessing the future performance of the Company.

Basis of preparation and presentation

The unaudited pro forma consolidated statement of financial position is presented in an abbreviated form and does not comply with all the presentation and disclosure requirements of Australian Accounting Standards applicable to annual reports prepared in accordance with the Corporations Act.

The accounting policies adopted in the preparation of the unaudited pro forma consolidated statement of financial position are consistent with the accounting policies adopted and described in the Company's full consolidated financial report for the year ended 30 June 2012.

For the purposes of the unaudited pro forma consolidated statement of financial position, which has been prepared for illustrative purposes to show the impact of the Offer on the audited consolidated statement of financial position as at 30 June 2012, it is assumed that the proceeds of the Offer will be applied to pay the costs of the Offer in the sum of \$197,000 and the balance (of \$5,135,765) to increase cash, consistent with the proposed use of funds set out in section 3.1. The unaudited pro forma statement of financial position is not represented as being indicative of the Company's views on its future financial condition and/or performance.

Transaction Adjustments

The unaudited pro forma column in the following consolidated statement of financial position has been adjusted to reflect the following transactions relating to the Offer:

- the issue of 533,276,517 New Shares under the Offer and no Shares being issued pursuant to the exercise of Options on or before the Record Date.
- receipt of \$5,332,765 under the Offer from the issue of 533,276,517 New Shares.
- fees and costs of the Offer having been paid, estimated at \$197,000.

GOLDSEARCH LIMITED	CONSOLIDATED		
	Audited 30 June 2012 \$	Unaudited adjustments \$	Pro forma unaudited 30 June 2012 \$
Pro forma Statement of Financial Position as at 30 June 2012			
Current assets			
Cash and cash equivalents	235,229	5,135,765	5,370,994
Trade and other receivables	61,103	-	61,103
Other assets	47,015	-	47,015
Total current assets	<u>343,347</u>	<u>5,135,765</u>	<u>5,479,112</u>
Non-current assets			
Other financial assets	885,257	-	885,257
Property, plant and equipment	32,704	-	32,704
Exploration and investment expenditure	4,306,810	-	4,306,810
Total non-current assets	<u>5,224,771</u>	<u>-</u>	<u>5,224,771</u>
Total assets	<u>5,568,118</u>	<u>5,135,765</u>	<u>10,703,883</u>
Current liabilities			
Trade and other payables	422,179	-	422,179
Provisions	95,830	-	95,830
Total current liabilities	<u>518,009</u>	<u>-</u>	<u>518,009</u>
Total liabilities	<u>518,009</u>	<u>-</u>	<u>518,009</u>
Net assets	<u>5,050,109</u>	<u>5,135,765</u>	<u>10,185,874</u>
Equity			
Issued capital	31,839,816	3,881,973	35,721,789
Reserves	349,325	1,253,792	1,603,117
Accumulated losses	(27,139,032)	-	(27,139,032)
Total equity	<u>5,050,109</u>	<u>5,135,765</u>	<u>10,185,874</u>

The above pro forma unaudited consolidated statement of financial position is included for illustrative purposes. The actual assets and liabilities of the consolidated entity after the issue of the New Shares and New Options are likely to vary according to the on-going operating activities of the Company over the period.

4. RISK FACTORS

4.1 Introduction

An investment in the Company involves a high degree of risk and should be considered speculative because of the nature of the Company's activities. There are a number of factors that may have a material adverse effect on the Company's future operating and financial performance.

There are specific risks which relate directly to the Company's business. In addition, there are general risks. While some of these risks can be mitigated by the use of appropriate safeguards and systems, many are outside the control of the Company and cannot be mitigated. Whilst the Company intends to continue to adopt prudent management techniques to minimise these risks to Shareholders, they should still be carefully considered by potential investors when evaluating an investment in the Company.

Intending investors should read the whole of this Prospectus and the risks identified in this section should be considered carefully and in detail. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

4.2 Risks specific to the Company

Exploration Risk

By its nature, the business of exploration is a highly speculative endeavour and involves significant risks. The Company's performance depends on the successful exploration and/or acquisition of resources or reserves, competent operational management and efficient financial management. The Company undertakes sampling, geophysics and drilling programs, and the outcomes of these programs will dictate the future performance of the Company. Further, the nature of exploration can sometimes result in industrial accidents and other incidents beyond the control of the Company.

There can be no assurances that the Company's exploration programs will result in the discovery of a significant mineral target. Even if a significant target is identified, there is no guarantee that it will be viable for economic exploration.

Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of efficient exploration operations, obtaining necessary titles and access to projects, as well as government and other regulatory approvals.

The exploration and mining activities of the Company may be affected by a number of factors, including but not limited to geological conditions, seasonal weather patterns, technical difficulties and failures, continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians, adverse changes in government policy or legislation and access to the required level of funding.

Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the outcome of the Company's exploration programs, the Company will require further financing in addition to amounts raised under this Prospectus. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs. In addition, the Company's ability to continue as a going concern may be diminished. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company and such circumstances will adversely affect the Company.

Feasibility and Development Risks

Given the early stage of the Company's projects, there will be a complex, multidisciplinary process to be undertaken to complete a feasibility study to support any development proposal. There is a risk that the feasibility study and associated technical works will not achieve the results expected.

There is also a risk that even if a positive feasibility study is produced, the projects may not be successfully developed for commercial or financial reasons.

Exploration Targets

The geological characteristics of the Company's exploration targets appear to have similar characteristics to locations where established exploration and mining operations are being successfully conducted. Similarity of geological characteristics is not determinative of any similarity in actual mineral resources. Whilst those characteristics may encourage explorers like the Company to commit expenditure to drilling programs, it must be appreciated that a substantial and real risk still exists that no viable resource will be identified. As such, it is important that geological similarities be appreciated in the context that they only provide an indication rather than any determinative evidence of any viable outcome.

The Company's Interests in Mineral Tenements

Changes in Australian laws and regulations will have a significant effect on the Company's exploration operations, especially changes to environmental, mining, grant or renewal of concessions and taxation.

The Company's investments in other companies

The Company has significant equity investments in other exploration companies. Similar risk factors apply to those other companies as to the Company and could therefore similarly impact upon the value of the Company's investments in those other companies.

Tenement interests

To the extent that the Company's interests in its tenements are contractual only, there is a risk that the counterparty may be unwilling or unable to comply with the terms of the relevant contracts. There is no certainty that the Company will be able to obtain adequate damages or specific performance in the case of such default and this may have a material impact on the value of the Company and its securities.

Contractors

The Company is dependent on contractors and suppliers to supply vital services to its operations. The Company is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supply may have an adverse effect on the financial performance of the Company.

Reliance on Key Personnel

In formulating its exploration programs, the Company relies to a significant extent upon the experience and expertise of the Directors and management.

These persons possess knowledge of many of the Company's tenements through extensive personal experience of prospecting in those areas.

Although information concerning the Company's tenements has been chronicled, the loss of one or more of these key personnel may adversely affect the Company's prospects of pursuing its exploration programs within the timeframes and within the cost structure currently envisaged.

There is no guarantee or assurance that these key personnel will be successful in their objectives pursuant to this Company.

Tenements

A failure to adhere to the statutory expenditure requirements in relation to the Company's mineral tenements will, unless an exemption is granted, make one or more of the tenements subject to possible forfeiture and the loss by the Company of the associated rights to the tenements.

Native Title, Aboriginal Heritage and Heritage

The Native Title Act 1993 (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration

or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation.

In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations in Australia.

Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for renewal of tenements will be approved.

The Company's tenements are subject to numerous specific legislative conditions. The renewal of the term of a granted tenement in Australia is subject to discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Joint Ventures

The Company may wish to develop its projects or future projects through joint venture arrangements, while some projects are already the subject of joint venture agreements. Any joint ventures entered into by, or interests in joint ventures assigned to the Company could be affected by the failure or default of any of the joint venture participants.

4.3 General risk factors

Investment and economic risk

Economic factors both in Australia and internationally beyond the control of the Company, such as changes in commodity prices, interest rates, inflation, exchange rates, taxation, changes in government policy and legislation, may negatively impact on the operational performance of the Company.

The Company's revenues, expenses and cash flows could be negatively affected by any of these factors, which in turn may affect the price of the New Shares.

No assurances can be made that the Company's performance will not be adversely affected by any such market fluctuations or factors. None of the Company or its Directors or any other person guarantees the performance of the Company or the market price at which its Shares trade.

The New Shares are to be quoted on the ASX where their price may rise or fall.

The New Shares issued under the Rights Issue carry no guarantee in respect of profitability, dividends, return of capital or the price at which they trade on ASX. The value of the New Shares will be determined by the market and will be subject to a range of factors beyond the control of the Company and its Directors including the demand and availability of Shares.

There can be no guarantee that an active market in New Shares will develop or the market price of the Shares will not decline. An investment in New Shares should be considered speculative.

Government policy

The Company's capacity to explore and mine, as well as industry profitability generally, can be affected by changes in government policy which may be beyond the control of the Company.

Commodity price risk

The demand for and price of commodities are highly dependent on a variety of factors, including the level of forward selling by producers, costs of production, general economic conditions, inflation levels, interest rates and exchange rates.

These factors may adversely impact on the Company's ability to fund operations, exploration, evaluation and development activities.

Future capital needs and additional funding

The future capital requirements of the Company will depend on many factors. There can be no guarantee that the Company will be able to raise additional capital to meet future funding requirements.

Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

Taxation risk

Variations in the taxation laws of Australia could impact the Company's financial performance and interpretation of taxation law could change, leading to a change in taxation treatment of investments or activities.

Changes in regulator environment

Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact the operating and financial performance and cash flows of the Company.

4.4 Speculative Nature of Investment

The above risk factors are not intended to provide an exhaustive list of all the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the future financial performance of the Company and the value of the Securities offered under this Prospectus.

The Securities issued pursuant to this Prospectus carry no guarantee with respect to payment of dividends, return of capital or market value. Potential investors should consult their professional advisers before deciding whether to take up or otherwise deal with their Entitlements.

5. SUMMARY OF MATERIAL CONTRACTS

5.1 Mandate Letter – Novus Capital Limited

On 6 December 2012, the Company engaged Novus Capital Limited (“Novus”) as a broker to the Rights Issue to assist the Company to raise capital through the Rights Issue on a best endeavours basis.

In consideration for Novus providing the above services the Company has agreed to pay the following fees to Novus:

- (a) A fee of 3% (exclusive of GST) of any amount subscribed through Novus in respect of any valid Application for New Shares, Additional Shares or Shortfall Shares lodged and accepted by the Company and bearing the stamp of Novus.
- (b) A fee of 5% (exclusive of GST) of any amount subscribed for New Shares under valid Applications for New Shares, Additional Shares or Shortfall Shares lodged by certain persons who have committed to subscribe for New Shares under the Rights Issue provided that if the amount subscribed by those persons exceeds \$910,000 in aggregate, the fee will be limited to \$45,500 (exclusive of GST).
- (c) Novus will be reimbursed for any out of pocket expenses incurred in the course of or in connection with providing its services except that no such expense above \$1,000 may be incurred by Novus without the written consent of the Company.

The Company has agreed to indemnify Novus against losses, claims, liabilities, damages, settlements, assessments, judgements, costs, charges and expenses which Novus may suffer or incur or which may be made against Novus occasioned by or resulting from or attributable to Novus acting under the mandate arrangement.

6. ADDITIONAL INFORMATION

6.1 Rights and liabilities attaching to New Shares

The Company will apply to ASX for quotation of the New Shares.

The New Shares will have the same rights and liabilities as the Existing Shares. The following is a summary of the rights and liabilities attaching to the Existing Shares (and the New Shares to be issued under the Rights Issue). It is not intended to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders, which can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. Applicants who wish to obtain a definitive assessment of the rights and liabilities that attach to the New Shares in any specific circumstance should seek their own professional advice.

Voting

At a general meeting of the Company, each shareholder present in person or by proxy or attorney has one vote on a show of hands and on a poll has one vote per Share they hold.

Where there are two or more joint holders of a Share, the holder whose name appears first in the Company's register of members is entitled to vote as holder of that Share to the exclusion of other joint holders.

Dividend rights

The Directors may in accordance with the Corporations Act, declare a dividend. The dividend is payable as soon as it is declared unless the Directors specify a later time for payment. The Directors may authorise such interim dividends as appear to the Directors to be justified.

(The Company has yet to declare and pay any dividends, and the Board is not able to indicate when and if dividends will be paid in the future, as payment of any dividend will depend on future profitability, financial position and cash requirements of the Company.)

Winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide the Company's property among the shareholders and may for that purpose set such a value as the liquidator considers fair and may determine how the division is to be carried out as between the shareholders according to their rights and interests in the Company.

Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of Shares, (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules. The Company must not prevent, delay or interfere with the registration of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

Variation of rights

The rights attached to a class of shares in the Company may be varied or abrogated in any way with the consent in writing of three quarters of the holders of shares of that class or by a special resolution passed at a separate meeting of holders of the shares of that class. This does not apply if the terms of shares in a class state otherwise.

Beneficial ownership of Shares

Except as required by law, the Company must not recognise a person as holding a Share upon any trust.

The Company, unless otherwise provided by the Constitution or by law, is not bound by or compelled in any way, to recognise any equitable, future or partial interest in any Share or unit of a Share, or any other rights in respect to the Share, except an absolute right of ownership in the registered holder.

Meetings of the Company's members

In accordance with the Corporations Act, the Company must hold an annual general meeting at least once each year.

Any Director may, whenever he or she thinks fit, call a meeting of the Company's members. The Directors must convene a meeting of the Company's members on request of members in accordance with section 249D of the Corporations Act.

No business will be transacted at any meeting of the Company's members unless a quorum is present. Three members constitute a quorum.

Alteration to the constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of the votes of the Shareholders present and voting at a general meeting. At least 28 days written notice must be given of the intention to propose the resolution as a special resolution.

ASX Listing Rules

Because the Company is listed on the ASX, notwithstanding anything in the Constitution, if the ASX Listing Rules prohibit an act being done, the act must not be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done, and if a provision is required in the Constitution by the ASX Listing Rules, the Constitution will be treated as containing that provision. If any provision of the Constitution becomes inconsistent with the ASX Listing Rules, the Constitution will be treated as not containing that provision to the extent of the inconsistency.

6.2 Rights and liabilities of the New Options

The New Options will be issued on the following terms and conditions.

Entitlement to Shares

Subject to and conditional upon any adjustment in accordance with the terms and conditions set out below, each New Option entitles the holder, when validly exercised, to one Share upon payment of the exercise price prior to the expiry date.

Exercise price

The exercise price of each New Option shall be 2.5 cents ("**Exercise Price**").

Exercise period and expiry date

The New Options may be exercised at any time on or before 5.00 pm (Sydney time) on 30 June 2014 ("**Expiry Date**") by lodging with the Company before the Expiry Date a written notice of exercise specifying the number of New Options being exercised ("**Exercise Notice**"), accompanied by a bank cheque for payment of the Exercise Price for that number of New Options being exercised, at the address below:

The Directors
Goldsearch Limited
Level 4
20 Loftus Street
SYDNEY NSW 2000

An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

New Options not exercised by the Expiry Date lapse.

Quotation of New Options

The Company will apply for quotation of the New Options on the ASX.

Freely transferable

New Options which have not been exercised are freely transferable in whole or in part at any time prior to the Expiry Date.

Quotation of Shares on exercise

All Shares to be issued pursuant to the exercise of the New Options will rank equally in all respects with the Company's then existing fully paid ordinary shares and will be issued within 10 business days following receipt of the Exercise Notice and the Exercise Price (in cleared funds). The Company will apply for quotation of all Shares issued upon exercise of the New Options within 10 business days after the date of allotment of those Shares.

Participation in new issues

There are no participation rights or entitlements inherent in the New Options and holders of the New Options will not be entitled to participate in any new issues of securities which may be offered to shareholders of the Company from time to time prior to the Expiry Date. However, before the record date to determine entitlements to any such new issue of securities, the Company will notify the holders of the New Options of the proposed new issue in accordance with the requirements of the Listing Rules.

Participation rights

The New Options confer on their holders a right to a change in the Exercise Price where there is a pro rata issue (except a bonus issue) to the holders of Shares. In such circumstances, the Exercise Price of the New Options may be reduced according to the formula set out in Listing Rule 6.22.

Dividend rights

The New Options do not confer on their holders any right to participate in dividends until Shares are allotted pursuant to the exercise of the New Options, after which, such Shares will qualify for any dividend paid on the fully paid ordinary shares in the Company with a record date after the date of allotment of the Shares.

Reconstruction of capital

In the event of a reconstruction (including consolidation, sub-division, return or reduction of the issued capital of the Company), the rights of the holders of New Options shall be changed to the extent necessary to comply with the ASX Listing Rules.

Bonus issues

If, from time to time, before the expiry of the New Options, the Company makes a pro rata issue of Shares to the holders of Shares for no consideration (a "**Bonus Issue**"), the number of Shares over which a New Option is exercisable will be increased by the number of Shares which the holder would have received if the New Option had been exercised prior to the record date for calculating entitlements to the Bonus Issue. The exercise price of the New Options shall not change as a result of any such Bonus Issue.

Calculations

Any calculations of a change in the Exercise Price or a change to the number of Shares to be issued on exercise of the New Options required under these terms and conditions will be made by the Company, notified to the holders of the New Options in writing and will be binding on the holders of the New Options.

6.3 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.4 Expenses of the Rights Issue

The estimated cash expenses of the Rights Issue are approximately \$197,000 (exclusive of GST).

This includes a provision of \$70,000 (exclusive of GST) payable to the Broker to the Rights Issue on the placement of any Shortfall Shares, on account of fees that may become payable by the Company as outlined in paragraph (a) of section 5.1 of the Prospectus. In addition, an amount of \$45,500 (exclusive of GST) is also included in the estimate as payable to the Broker to the Rights Issue, on account of fees that may become payable by the Company as outlined in paragraph (b) of section 5.1 of the Prospectus.

6.5 Interests of Directors, promoters and persons named in this Prospectus

Except as set out in this Prospectus, no:

- (a) Director or proposed director; or
- (b) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (c) promoter of the Company; or
- (d) underwriter to the Rights Issue or financial services licensee named in this Prospectus as a financial services licensee involved in the Rights Issue,

holds, or has held during the last two years before lodgement of this Prospectus, any interest in:

- (e) the formation or promotion of the Company; or
- (f) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (g) the Offer,

and no amounts have been paid or agreed to be paid, and no benefits have been given or agreed to be given:

- (h) to a Director or proposed director, to induce him to become or to qualify him as a director of the Company; or
- (i) for services provided by any or the persons referred to in (a) – (d) above in connection with the formation or promotion of the Company or the Offer.

Directors' holdings

The direct and indirect interests of the Directors in the securities of the Company at the date of this Prospectus are as follows:

Director	Shares	Options
John Landerer	9,969,001	4,250,000
Terence Willstead	3,308,000	3,250,000
Robert Leece	11,996,465	3,250,000
John Percival	7,485,709	4,000,000

It is the current intention of the Directors (and their Associates) to subscribe for at least part of their respective Entitlements offered to them under this Prospectus and, as a consequence, the Directors will acquire New Shares (and attaching New Options) in the Company in addition to

those interests in Shares and Options set out above. The Directors have committed to apply for a minimum of 17,300,000 New Shares in aggregate.

Remuneration of Directors

The details of the annual remuneration provided to the Directors and their associated entities during the financial years ended 30 June 2011 and 30 June 2012 and the proposed annual remuneration to be provided to the Directors and their associated entities during the financial year ending 30 June 2013 are as follows:

Director	Financial year end	Cash salary and fees \$	Superannuation \$	Options¹ \$	Total \$
John Landerer	2013	36,697	3,303	-	40,000
	2012	36,697	3,303	66,725	106,725
	2011	36,697	3,303	-	40,000
Terence Willstead	2013	36,000	-	-	36,000
	2012	36,000	-	51,025	87,025
	2011	36,000	-	-	36,000
Robert Leece	2013	33,028	2,972	-	36,000
	2012	33,028	2,972	51,025	87,025
	2011	33,028	2,972	-	36,000
John Percival	2013	213,762	19,238	-	233,000
	2012	213,762	19,238	62,800	295,800
	2011	229,358	20,642	-	250,000

Notes:

1. Fair value of options calculated at the date of grant using the Black-Scholes model. It is not possible to value the options for the financial year ending 30 June 2013 until after that date.
2. It may be possible that other remuneration amounts, in addition to cash salary and fees, will be received by the Directors during the financial year ending 30 June 2013.

All compensation arrangements for Directors are determined at Board level after taking into account the competitive rates prevailing in the market place.

Each non-executive Director (which is all Directors other than Mr John Percival) are entitled to payment of one year's directors' fees upon their retirement from office.

Related party transactions

- (a) Mr John Landerer is the senior partner of Landerer & Company. Landerer & Company act as solicitors to the Company. Charges for services provided during the financial year 1 July 2010 to 30 June 2011 were \$12,368 and during the financial year 1 July 2011 to 30 June 2012 were \$24,716.

\$10,725 (exclusive of GST) has been paid in the period 1 July 2012 to the date of this Prospectus.

- (b) The Company employs Ms J. Gregan, spouse of Mr John Percival.

Each of the abovementioned related party arrangements are on arm's length terms and as such no Shareholder approval has been sought by the Company for the approval of any of those related party arrangements.

Directors' and Executive Officers' Indemnity

Under clause 137 of the Company's Constitution, the Directors, secretary and executive officers of the Company are indemnified by the Company in the terms summarised below.

In accordance with the Constitution and to the extent permitted by law, the Company indemnifies each person who is an officer or former officer of the Company against all losses and liabilities incurred by the officer as an officer of the Company, unless the liability arises out of conduct involving a lack of good faith and for costs and expenses incurred in defending civil proceedings in which judgement is given in favour of the officer, or in which the officer is acquitted, or in connection with relief granted to the officer in an application under the Corporations Act.

In addition the Company pays for insurance policies to insure the Directors against certain risks each Director is exposed to as a Director of the Company. The annual premium paid for the financial year 1 July 2011 to 30 June 2012 was \$10,825.

6.6 Interest of advisers

Novus Capital Limited has acted as Broker to the Rights Issue and will be entitled to receive the fees as set out in section 5.1 of this Prospectus. The amount of the fees will not be known until the Rights Issue and Shortfall Offer is completed.

Landerer & Company has acted as Australian legal advisers to the Company in connection with the Offer and assisting in the preparation of this Prospectus and is entitled to receive approximately \$35,000 (exclusive of GST) for these services. Landerer & Company has also provided other legal services in relation to ongoing legal work and, in the last 2 years, has been entitled to receive costs of approximately \$34,985 (exclusive of GST) for these services and Landerer & Company was also entitled to reimbursement of disbursements of \$3,320 (exclusive of GST). Further amounts may be paid to Landerer & Company in accordance with its time-based charge out rates.

6.7 Consents

Each of the following persons has given their written consent to be named in this Prospectus in the form and context in which they are named and, where appropriate, to the inclusion in this Prospectus of the statement(s) by that person in the form and context in which they appear in this Prospectus, and has not withdrawn such consent before lodgement of this Prospectus with ASIC:

- (a) Novus Capital Limited has consented to being named as Broker to the Rights Issue;
- (b) Boardroom Pty Limited has consented to being named as the Share Registry for the Company;
- (c) Landerer & Company has consented to being named as lawyers to the Rights Issue; and
- (d) Grant Thornton Audit Pty Ltd has consented to being named as the auditor of the Company in this Prospectus.

Landerer & Company:

- (a) did not authorise or cause the issue of this Prospectus;
- (b) does not make or purport to make any statement in this Prospectus nor is any statement in this Prospectus based on any statement by it, other than as specified; and

- (c) to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than the references to its name and the statement expressly attributed to it in this Prospectus (as set out above) and included in this Prospectus with the consent of it.

Boardroom Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as the Share Registry for the Company. Boardroom Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

Grant Thornton Audit Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as the auditor of the Company. Grant Thornton Audit Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

Novus Capital Limited was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. Novus Capital Limited makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Novus Capital Limited. To the maximum extent permitted by law, Novus Capital Limited expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of this Prospectus.

6.8 Continuous disclosure obligations

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and Listing Rules. Copies of the documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

These reporting and disclosure obligations require the Company to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information of which it becomes aware concerning the Company that a reasonable person would expect to have a material effect on the price or value of securities in the Company. All announcements made by the Company are available on the Company's website www.goldsearch.com.au or on the ASX's website www.asx.com.au.

The board of Directors have adopted a policy on compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have a material effect on the Company's securities and the consequences of non compliance.

6.9 Legal framework of this Prospectus

This Prospectus is a "transaction specific prospectus" and is issued in accordance with section 713 of the Corporations Act. In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The ASX maintains files containing publicly disclosed information for all listed companies. The Company's file is available for inspection at ASX during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

6.10 Documents available to investors

The Company is also required to prepare and lodge with ASIC both yearly and half yearly financial statements accompanied by a Directors' statement and report and an auditor's report. These reports are released to ASX and published on the Company and ASX websites.

During the period that the Rights Issue remains open, the Company will provide on request from any person, a copy of the following documents (without charge):

- (a) the Company's audited annual financial report for the year ended 30 June 2012; and
- (b) any continuous disclosure notices (including those listed below) given by the Company to ASX after the lodgement of the annual financial report for the year ended 30 June 2012 and before the date of this Prospectus.

The following documents were lodged with ASX after the date of lodgement of the Company's financial report for the year ended 30 June 2012 most recently lodged with ASIC before the lodgement of a copy of this Prospectus with ASIC:

Document name	Date released to ASX
CYU: Metallurgical diamond hole drilled at Elaine Project	17 December 2012
Proposed rights issue and Appendix 3B	6 December 2012
Outcome of annual general meeting	13 November 2012
Quarterly activity report to 30 September 2012	31 October 2012
CYU and GSE update on high grade uranium in NW Queensland	25 October 2012

7. GLOSSARY

Acceptance Moneys	The moneys payable in connection with an Application (being the Issue Price multiplied by the number of New Shares represented by the aggregate of the Entitlement taken up under the Application and the number of Additional Shares (if any) applied for on the Application)
Additional Options	New Options applied for in addition to the number shown on a Shareholder's Entitlement and Acceptance Form
Additional Shares	New Shares for which an applicant applies on an Entitlement and Acceptance Form in addition to the Entitlement of that applicant
Application	An application to subscribe for a specified number of New Shares and New Options under this Prospectus (made in an Entitlement and Acceptance Form included in, or accompanying, a copy of this Prospectus)
ASIC	Australian Securities and Investments Commission
Associate	Has the same meaning given to it by Division 2 of Part 1.2 of the Corporations Act
ASX	ASX Limited ACN 008 624 691
ASX Settlement	ASX Settlement Pty Ltd ACN 008 504 532
ASX Settlement Operating Rules	The operating rules of the settlement facility provided by ASX Settlement as amended from time to time
Board	The board of Directors of the Company
Business Day	Has the same meaning as in the Listing Rules
Chairman	Chairman of the Board
Closing Date	The date on which the Offer closes, being 5 February 2013 unless extended
Company	Goldsearch Limited ACN 006 645 754
Constitution	The Company's constitution
Corporations Act	Corporations Act 2001 (Cth) (as amended)
Director	A director of the Company
Eligible Shareholder	A Shareholder who holds Shares at 7.00 pm on the Record Date who is not an Ineligible Shareholder
Entitlement	A renounceable right of an Eligible Shareholder to subscribe for one New Share for every one Existing Share held at 7.00 pm on the Record Date, with one attaching New Option for every one New Share subscribed for and issued.
Entitlement and Acceptance Form	An entitlement and acceptance form accompanying this Prospectus
Existing Shares	Shares on issue as at 7.00 pm on the Record Date

Ineligible Shareholder	A Shareholder with an address in the Company register of Shareholders outside Australia and New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing Securities to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous
Issue Date	The date New Shares are issued by the Company
Issue Price	1 cent per New Share
Listing Rules or ASX Listing Rules	The official listing rules of ASX from time to time
New Option	An Option offered and issued under this Prospectus, the terms of which are set out in Section 6.2 of this Prospectus
New Share	A Share offered and issued under this Prospectus, the terms and conditions of which are set out in this Prospectus
Offer	A pro rata non-renounceable rights issue offer by the Company to Eligible Shareholders to subscribe for 1 New Share for every 1 Share held on the Record Date at an issue price of 1 cent per New Share with 1 attaching New Option for every 1 New Share subscribed for and issued, to raise a total amount of up to approximately \$5.3 million.
Offer Securities	Means approximately 533,276,517 New Shares and 533,276,517 attaching New Options proposed to be issued by the Company under the Offer at 1 cent per New Share
Options	Options to subscribe for Shares in the Company
Privacy Act	Privacy Act 1998 (Cth) (as amended)
Prospectus	This prospectus
Record Date	7.00 pm (Sydney time) on 9 January 2013
Rights Issue	The non-renounceable pro rata rights issue conducted pursuant to this Prospectus under which approximately 533,276,517 New Shares and 533,276,517 attaching New Options will be offered to Eligible Shareholders on the basis of one New Share for every one Existing Share held by Shareholders at an issue price of 1 cent per New Share, with one attaching New Option for every one New Share subscribed for and issued
Securities	New Shares and/or New Options offered pursuant to the Entitlement
Share	A fully paid ordinary share in the capital of the Company
Share Registry	Boardroom Pty Limited ABN 14 003 209 836
Shareholder	A holder of Existing Shares
Shortfall	The difference between the total number of New Shares and New Options offered under the Offer and the number of New Shares and New Options actually applied for by Eligible Shareholders, including applications for Additional Shares and Additional Options
Shortfall Offer	The offer of any Shortfall on the terms and conditions set out in

Shortfall Shares

Those New Shares and attaching New Options (including any Additional Shares and Additional Options) for which valid Applications have not been received by 5.00 pm on the Closing Date under the Rights Issue

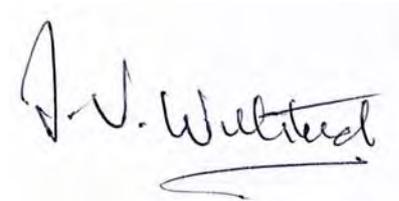
DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

Each Director has consented to the lodgement of this Prospectus with ASIC as required by section 720 of the Corporations Act and has not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

Signature

This Prospectus is signed for Goldsearch Limited by:

A handwritten signature in black ink, appearing to read "T. Willsteed", with a long horizontal flourish underneath.

Terence Willsteed
Director

Dated: 28 December 2012

CORPORATE DIRECTORY

Directors

John Landerer CBE AM Chairman and
Non-Executive
Director

Terence Willstead Non-Executive
Director

Robert Leece AM RFD Non-Executive
Director

John Percival Executive Director

Company Secretary

Paul Hewson

Registered Office

c/- Boroughs Australia Pty Limited
Level 6
77 Castlereagh Street
SYDNEY NSW 2000

Principal Office and Contact Details

Level 4
20 Loftus Street
SYDNEY NSW 2000

Website: www.goldsearch.com.au
Telephone: (02) 9241 5999
Facsimile: (02) 9241 5599

Solicitor

Landerer & Company
Level 31
133 Castlereagh Street
SYDNEY NSW 2000

Share Registry

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Telephone:
(within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

Website: www.boardroomlimited.com.au

Auditors

Grant Thornton Audit Pty Ltd
The Rialto, Level 30
525 Collins Street
MELBOURNE VIC 3000

Telephone: +61 3 8320 2222
Facsimile: +61 3 8320 2200

ASX Code

GSE

RIGHTS ISSUE ENTITLEMENT AND ACCEPTANCE FORM

Entitlement No.

Subregister

SRN/HIN.

Number of Shares held at 7pm
on 9 January 2013

Offer Closes: 5pm AEDST 5 February 2013

1 FOR 1 NON-RENOUNCEABLE ISSUE OF UP TO 533,276,517 NEW SHARES AT AN ISSUE PRICE OF 1 CENT EACH (TOGETHER WITH 1 ATTACHING NEW OPTION EXERCISABLE AT 2.5 CENTS ON OR BEFORE 30 JUNE 2014 FOR EVERY 1 NEW SHARE SUBSCRIBED FOR AND ISSUED), PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER.

A Rights Acceptance

If you wish to accept your **FULL ENTITLEMENT** please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form by the close date with payment will constitute acceptance of the Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

Entitlement to New Shares on the basis of 1 New Share for 1 Ordinary Share held	Price Per Share	Amount Payable for Full Acceptance, at \$0.01 per New Share
	\$0.01 per Share =	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY** please complete this form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

Number of New Shares accepted	Price Per Share	Amount Enclosed
	\$0.01 per Share =	\$

B Apply for additional shares (if available)

If you wish to apply for additional shares to your Rights Entitlement above please insert the number of shares in the box below and the appropriate amount payable. These additional shares will only be allotted if available.

Number of Additional Shares Applied for	Price Per Share	Amount Enclosed
	\$0.01 per Share =	\$

C Payment

Payment may only be made by BPAY or cheque. Cash will not be accepted via the mail or at the Goldsearch Limited Share Registry. Payments cannot be made at any bank.

Payment Option 1 - BPAY



Biller Code: XXXX
Ref: «BPayCRN»

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: www.bpay.com.au

® Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution
- If paying by BPAY you do not need to return the Application Form
- If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for.

Payment Option 2 – Cheque (Record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				\$

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to Goldsearch Limited – Rights Issue Account and crossed Not Negotiable.
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

THIS FORM CONTINUES OVERLEAF

D Contact Details

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	()	()	

By submitting this Application Form or by using the BPAY facility to accept the Offer, I/We represent and warrant that I/we have read and understood the Prospectus to which this Application Form relates and declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Goldsearch Limited and agree to the terms and conditions of the Offer under this Prospectus. I/We represent and warrant that I/we have not relied on any other information provided by the Company other as set out in this Prospectus when making my/our decision to invest.

LODGEMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR PART

Multiply the number of New shares for which you are accepting by \$0.01 then fill in the acceptance details, where necessary, in the space provided on the front of this form. Complete your cheque details on the front of this form and send your cheque/draft and completed form to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Telephone No. 02 9290 9600
Facsimile No. 02 9279 0664

If you do not deal with your entitlement it will lapse at 5.00 pm EST on 5 February 2013.

PAYMENT

Cheque or Draft

All cheques or drafts (expressed in Australian currency) are to be made payable to "Goldsearch Limited – Rights Issue Account" and crossed "Not Negotiable".

BPAY

If you make payment using BPAY you must contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: www.bpay.com.au. Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before 5.00 pm EST on 5 February 2013.

PAYMENT - OVERSEAS RESIDENTS

Overseas shareholders who are permitted to apply for shares must obtain a draft in Australian currency payable on a bank in Australia, or where the shareholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

The Australian currency draft should be attached to your completed form and the document mailed to:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

OVERSEAS SHAREHOLDERS ARE ADVISED TO ENSURE THEIR DOCUMENTS ARE POSTED TO AUSTRALIA BY AIRMAIL.

Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

INTERPRETATION

Terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Prospectus.

CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHESS holders must notify your sponsoring broker for amendments to holdings on the CHESS Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS:		
Shareholder 1 (Individual) / Sole Director & Sole Company Secretary	Joint Shareholder 2 (Individual) / Director	Joint Shareholder 3 (Individual) / Director/Company Secretary (Delete one)

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).

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> <ul style="list-style-type: none">• 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.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>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.</p>
<p>5 Issue price or consideration</p>	<p>1 cent (\$0.01) per share Options to be issued for no consideration</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>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.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>N/A</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>

+ 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	Scheduled for 13 February 2013	
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.

Appendix 3B
New issue announcement

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	21,250,000	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	9 January 2013
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.	Belgium, Canada, China, Germany, Hong Kong, Indonesia, Japan, Malaysia, PNG, Singapore, Switzerland, United Kingdom, USA and Vietnam

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	5pm on 5 February 2013
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 \$55,000 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	15 January 2013
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	28 December 2012
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 <i>in full</i> through a broker?	N/A

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

- | | | |
|----|---|--------------------------------|
| 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 | Scheduled for 13 February 2013 |

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:

For and on behalf of

Goldsearch Limited



Date: 28 December 2012

(Company secretary)

Print name: Paul Hewson

== == == == ==

+ See chapter 19 for defined terms.

31 December 2012

Dear Shareholder

Non-renounceable rights issue

This letter is to notify you that on 28 December 2012 Goldsearch Limited (the "**Company**" or "**Goldsearch**") lodged a Prospectus ("**Prospectus**") with the Australian Securities and Investments Commission for a 1 for 1 non-renounceable rights issue ("**Rights Issue**") of fully paid ordinary shares ("**New Shares**") at an issue price of 1.0 cent per New Share together with 1 attaching New Option exercisable at 2.5 cents on or before 30 June 2014 for every 1 New Share issued. You will receive your copy of the Prospectus shortly.

The New Shares will rank equally with existing shares. Goldsearch has applied for official quotation of the New Shares and the New Options.

A copy of the Prospectus has also been lodged with ASX Limited ("**ASX**") and can be viewed on the ASX website (www.asx.com.au) and on Goldsearch's website (www.goldsearch.com.au).

Trading of the New Shares, once issued, will commence on the ASX on 6 February 2013, on a deferred settlement basis. Normal trading of the New Shares is expected to commence on 14 February 2013.

The New Options will only commence trading on the ASX if the ASX approves the quotation of the New Options. It is expected that the Company will be able to advise if the ASX approves the quotation of the New Options by 15 February 2013.

This rights issue offer is only made to shareholders with an address inside Australia or New Zealand. Eligible shareholders may also apply for additional New Shares over and above their entitlement in the event of a shortfall.

This offer is not underwritten.

The key information and dates are set out below for your information.

Summary of key information

Type of offer:	1 for 1 non-renounceable Rights Issue of 533,276,517 New Shares (and 1 attaching New Option for every 1 New Share issued) to security holders with registered addresses in Australia or New Zealand as at the Record Date.
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- Offer price: 1.0 cent per New Share.
- Offer ratio: 1 New Share for every 1 ordinary share held at the Record Date together with 1 attaching New Option exercisable at 2.5 cents on or before 30 June 2014 for every 1 New Share issued.
- Broker: Novus Capital Limited (“Novus”) has been appointed as broker to the Rights Issue on a best endeavours basis. In consideration for the services provided by Novus, Novus will receive:
- A fee of 3% (exclusive of GST) of any amount subscribed through Novus in respect of any valid Application for New Shares, Additional Shares or Shortfall Shares lodged and accepted by the Company and bearing the stamp of Novus.
 - A fee of 5% (exclusive of GST) of any amount subscribed for New Shares under valid Applications for New Shares, Additional Shares or Shortfall Shares lodged by certain persons who have committed to subscribe for New Shares under the Rights Issue provided that if the amount subscribed by those persons exceeds \$910,000 in aggregate, the fee will be limited to \$45,500 (exclusive of GST); and
 - reimbursement for any out of pocket expenses incurred in the course of or in connection with providing its services except that no such expense above \$1,000 may be incurred by Novus without the written consent of the Company.

Proposed timetable

The current proposed timetable for the Rights Issue is as follows:

Prospectus date:	28 December 2012
Date existing shares quoted ex-rights	3 January 2013
Record Date:	9 January 2013
Prospectus mailing date:	15 January 2013
Closing Date for receiving applications	5 February 2013
Despatch date – issue of New Shares and New Options	13 February 2013

The above dates are subject to change and are therefore indicative only. The Company reserves the right, subject to the Corporations Act and the ASX Listing Rules, to amend the indicative timetable and in particular, to extend the Closing Date or to withdraw the Rights Issue without prior notice. Any extension of the Closing Date will have a consequent effect on the date of allotment and issue of New Shares and New Options.

Eligible Shareholders

The shareholders who are entitled to participate in the Rights Issue are those shareholders registered as holders of shares at the Record Date (Wednesday 9 January 2013) and with a registered address in Australia or New Zealand.

All shareholders who are not eligible shareholders, are ineligible shareholders.

Ineligible Shareholders

Ineligible shareholders will not be entitled to participate in the Rights Issue. The Company has determined that it would be unreasonable on this occasion to extend the Rights Issue to ineligible shareholders having regard to the number of securities held by ineligible shareholders and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to ineligible shareholders in various jurisdictions. We trust you understand the Company's position on this matter.



For further information on your entitlement please contact Goldsearch's Share Registry:

Boardroom Pty Limited

**Telephone: 1300 737 760 (from within Australia) or
+61 2 9290 9600 (from outside of Australia)**

The directors of the Company urge you to read the Prospectus carefully and seek advice from your professional advisers if you have any questions. This letter is to inform you of the Rights Issue. You are not required to do anything in response to this letter.

Yours faithfully

GOLDSEARCH LIMITED

A handwritten signature in black ink, appearing to read "Paul Hewson". The signature is fluid and cursive.

Paul Hewson
Company Secretary

28 December 2012

Dear Optionholder,

Our records indicate that you are registered as the holder of options to acquire ordinary class shares in the capital of Goldsearch Limited ("**GSE**").

Notice is hereby given to you in your capacity as a holder of the options ("**Your Existing Options**") that GSE is proposing to make a non-renounceable rights issue of new ordinary shares in GSE to shareholders in GSE on the basis of offering 1 new ordinary share for every 1 ordinary share held in GSE as at 7.00 pm on 9 January 2012 at 1.0 cent per new share (together with 1 attaching new option exercisable at 2.5 cents on or before 30 June 2014 for every 1 new share issued).

If you wish to be entitled to participate in the proposed renounceable rights issue in respect of Your Existing Options, then you must exercise Your Existing Options prior to the record date of 7.00 pm on 9 January 2013.

For and on behalf of the directors of
GOLDSEARCH LIMITED



Paul Hewson
Company Secretary

28 December 2012

Dear Overseas Shareholder

Non Renounceable Rights Issue of New Shares and Attaching New Option

The directors of Goldsearch Limited advise that they have on 28 December 2012 lodged a Prospectus with the Australian Securities and Investments Commission for a 1 for 1 non renounceable Rights Issue of approximately 533,276,517 New Shares at an issue price of 1.0 cent per New Share (together with 1 attaching New Option for every 1 New Share issued exercisable at 2.5 cents on or before 30 June 2014) to raise approximately \$5.3 million.

Only shareholders registered with addresses in Australia and New Zealand will receive an entitlement to the Rights Issue on the basis of 1 New Share for every 1 ordinary share registered in their name at 7.00 pm on 9 January 2013. Our records indicate that you are a shareholder with a registered address outside Australia or New Zealand and therefore you are an ineligible shareholder. As an ineligible shareholder you are unable to participate in the Rights Issue under the Prospectus.

The directors have decided that it is unreasonable to extend the offer to shareholders with addresses outside of Australia and New Zealand having regard to:

1. the small number of shareholders in the place where the offer would be made;
2. the fact that those shareholders hold a relatively small number of shares in aggregate which would involve a relatively small entitlement to the Rights Issue in both number and value; and
3. the cost of complying with legal requirements and the requirements of the regulatory authorities in each of the relevant countries.

If you wish to participate in the Rights Issue it will be necessary for you to transfer your shares to a nominee with an address in Australia or New Zealand by 9 January 2013 which is the Record Date for the Rights Issue provided that does not breach any law in your country.

For and on behalf of the directors of Goldsearch Limited



Paul Hewson
Company Secretary