

Quarterly Report

For the quarter ended 30 June 2014

Highlights

Horizon Healthcare Solutions Pty Ltd

During the quarter negotiations commenced with Horizon to see if there was an opportunity to purchase their business.

Mary Kathleen Joint Venture

(Goldsearch Limited 20%, Chinalco Yunnan Copper Resources Limited 80%)

Mount Frosty

- Drilling continued at Blue Caesar and Jubilee

Musgrave Minerals Limited (MGV)

(Goldsearch Limited 4.37% shareholding in MGV)

Menninnie Dam Project

- Encouraging drill results from Spare Rib target included assay values up to 1.1% Pb, 0.7% Zn and 46.4g/t Ag

Musgrave Region

- Ground electromagnetic (EM) survey commenced over nickel-copper targets at Mt Woodroffe, Pallatu and Smeagol



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HORIZON HEALTHCARE SOLUTIONS Pty Ltd

In June the Directors were approached to investigate the opportunity of changing direction to become involved in Healthcare through a company called Horizon Healthcare Solutions Pty Ltd.

Following this approach on the 9th July Goldsearch announced to the market that it has entered into an agreement to acquire all of the issued share capital of Horizon Healthcare Solutions Pty Limited, a proprietary company which carries on the business of the provision of work care medical services, after hours medical services (including my Medical Response Team - myMRT), ancillary health services and employee and relative medical support services.

The purchase price payable by Goldsearch under the agreement is the fair selling price for the shares as determined by an independent valuer, subject to a maximum amount of \$8 million. The purchase price is payable as to a non-refundable deposit of \$25,000 in cash and the balance by an issue of new shares in Goldsearch at an issue price of \$0.003 per share (up to 2,658 million shares at the maximum purchase price). Goldsearch and the vendors are now engaging an independent valuer to determine the purchase price and Goldsearch will update the market once this has been determined.

Completion of the acquisition is subject to a number of conditions precedent including completion of due diligence to Goldsearch's satisfaction and shareholder approval,

Goldsearch has not yet commenced due diligence on the acquisition however will now do so. In the event that this work is completed to Goldsearch's satisfaction, Goldsearch will provide shareholders a notice of meeting and explanatory memorandum for their consideration. Due diligence is expected to be completed within 1 month.

Horizon Health Care Solutions has multiple business streams;

- ☐ Work care medical services
- ☐ The provision of 24/7 on-site medical facilities and the management of Workcare injuries.
- ☐ After hours medical services (including myMRT)
- ☐ Forty after hours Medicare licences that it is developing into franchised doctor practices. Horizon provides vehicles and fit-out for the franchisees. Horizon is also seeking to provide private medical clinics in local hospitals to alleviate the pressures on A&E (Accident and Emergency) departments.

Such as:-

- ☐ Ancilliary health services
- ☐ Non Emergency Patient transport
- ☐ Physiotherapists, speech pathologists, occupational therapists, psychologists to support the work care portions of the business
- ☐ Employees family after hours medical support
- ☐ Horizon will provide general medical services to the relatives of its patients from other parts of its business but particularly from its work care business.

The primary focus of the management for the next 6 months is to implement sales, marketing and systems controls. The business is targeting the sale of further franchises for both cash flow and long term revenue streams.

The business currently operates from its head office at Chullora in Sydney's western suburbs and is examining expanding its operation with new premises to support its expanding work care business.

Workcare Medical

- Pre Employment Medical Assessment Services
- Health Screening Services
- Injury Management
- EAP & Workplace Related Services
- Independent Medical Examination (IME)

Medical Response Team

- Non-Emergency Hospital Transportation
- 24/7 Medical Response Team
- Fully qualified and certified Medic services
- Aged care facility
- Patient air transport



Allied Healthcare

- Clinical Social Workers, Clinical Psychologists, Physiotherapists, Podiatrists, Speech Pathologists, Dieticians
- Bulk Billing, Dept. of Veterans Affairs (DVA)
- ICAPS Member Benefits
- Multiple Service Locations

Employees Family Support Program

- Patient transport 24/7
- After hour medical service
- Allied health & psychological services
- Pain management clinic services
- Family support care services

After Hours Medical Services

- After Hour Medical Home Visit
- After Hour GP Clinic

Operating Hours

- Monday - Friday:
6:00 PM - 8:00 AM
- Weekends: After 1:00 PM to Midnight

MARY KATHLEEN JOINT VENTURE

(GSE 20% CYU 80%)

MOUNT FROSTY JOINT VENTURE

During the quarter the Directors made the decision to reduce our position in the Joint Venture from 30% to 20% to conserve funds.

CYU have continued to manage the project with a continuation of the \$2m 2014 exploration program in Mt Isa with recent excellent results across several prospect areas.

- Program over next 6 months to include:

A Further 12 hole RC drilling program to commence in late August at Jubilee/Blue Caesar

Deep-penetrating geophysical survey to be conducted at Millenium to map mineralisation at depth and provide basis for future drilling

Follow up assessment to be undertaken of the Pindora prospect.

MUSGRAVE MINERALS LIMITED (ASX:MGV)

(GSE 4.37% Shareholding in MGV)

Goldsearch Limited holds a significant shareholding in Musgrave Minerals Limited (MGV), but has reduced its holding through market sales over the quarter to fund ongoing activities.

MGV has continued to make advances in its base metal, gold and silver focussed exploration projects in the Musgrave Geological Province and Gawler Craton regions of South Australia.

Musgrave Region

- Nickel sulphide targets confirmed at Pallatu 6 and 7
- Pallatu 7 EM target up to 350m in strike length
- Targets in the same geological setting as Nebo-Babel nickel-sulphide deposit in west Musgrave
- Diamond drilling on Pallatu nickel targets commenced early July, results are expected in late August

Menninnie Dam

- Surface geochemistry extended the silver anomalism and identified a new high-priority target area west of Frakes
- Encouraging drill results from Spare Rib target included assay values up to 1.1% Pb, 0.7% Zn and 46.4g/t Ag
- Infill geochemistry and gravity survey planned at Frakes and other high priority targets at Menninnie

Planned Activity

- Complete drilling at Pallatu 6 & 7 targets, analyse and interpret results
- Undertake down hole EM at Pallatu
- Complete infill geochemistry and gravity survey at Menninnie Dam targets
- Plan drilling program to follow up further targets at Menninnie Dam, dependent on results

DUCK CREEK JOINT VENTURE

During the quarter Goldsearch has finalised an agreement with Queensland Mining Corporation (ASX:QMN) regarding the Duck Creek Joint Venture. GSE has transferred EPM 13336 and 15718 to QMN in exchange for payment of \$30,000 and the right to retain a 1.5% Net Smelter Royalty.

MOUNT WELLINGTON PROJECT

(GSE 100%)

No further work on the Mount Wellington Project was carried out during the quarter and Directors have decided to hand back the tenements to the Mines Department as no Joint Venture or other interested party could be found under the current depressed conditions for exploration.

COMPETENT PERSONS STATEMENT

Aspects of this report that relate to Mineralisation, Mineral Resources or Ore Reserves of Goldsearch Limited, both directly and through its joint ventures and investments, are based on information compiled by persons who are Fellows or Members of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, and have sufficient relevant experience of the activity undertaken and of the mineralisation style and type of deposit described. They qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code of Reporting of Identified Mineral Resources and Ore Reserves" (JORC Code). The above statements fairly reflect the reports prepared by these Competent Persons and has been overviewed by Mr T V Willstedt, BE (Min) Hons, BA, FAusIMM as a Competent Person for Goldsearch Limited. Mr Willstedt consents to the inclusion in this report of these matters based on their information in the form and context in which it appears.