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Quarterly Report
For the quarter ended 30 September 2014

Highlights

Horizon Healthcare Solutions Pty Ltd (HHS)

During the quarter Goldsearch decided not to proceed with the transaction to acquire HHS following completion of due diligence

National Health Services Pty Ltd (NHS)

Goldsearch has entered into a heads of agreement to acquire NHS

Mary Kathleen Joint Venture

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

Mount Frosty

- Further RC drilling at Blue Caesar and Jubilee

Musgrave Minerals Limited (MGV)

(Goldsearch Limited 3.02% shareholding in MGV)

- Aeromagnetic survey over new Mamba project in Fraser Range Western Australia identify 12 high priority targets
- Disseminated sulphides intersected at Pallatu 6 and 7

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HORIZON HEALTHCARE SOLUTIONS PTY LTD (HHS)

On the 9 July Goldsearch announced that it had entered into a bind heads of agreement to acquire all of the issued share capital of Horizon Healthcare Solutions Pty Limited HHs). HHS operates as a licensed and approved Healthcare Services Provider pursuant to the Approved Medical Deputising Service Program and can engage up to 40 Eligible Doctors with Licences issued by the Commonwealth Government's Department of Health and Ageing.

On 11 August Goldsearch provided an update to the market regarding the acquisition of HHS. After entering into the binding heads of agreement and announcing the transaction, Goldsearch commenced its due diligence on HHS.

On 3 October, Goldsearch completed its due diligence investigations and decided not to proceed with the HHS transaction. GSE provided a notice of termination to HHS on 2 October 2014 terminating any further obligations under the agreement with HHS.

NATIONAL HEALTH SERVICES PTY LTD (NHS)

On 8 October, Goldsearch announced that it had executed a heads of agreement with the shareholders of National Health Services Pty Ltd (NHS) to acquire all the shares in NHS. NHS is an Australian private company operating in the healthcare services sector.

Under the terms of the agreement, GSE has agreed to acquire 100% of the shares in NHS.

NHS assets include

- Franchise agreements with two medical providers relating to after-hours general medical services and the rights to further develop the after-hours medical franchise business
- An established business providing non-emergency patient transport services across the Sydney region
- An executed a heads of agreement to acquire Galen and Gray Pty Ltd (Galen & Gray) a developed business in the Occupational Medical Services and Workcare Injury Management Sector.

The agreement with NHS is subject to the following conditions precedent:

- Receipt of an independent experts report stating that the transaction is fair and reasonable and confirmation from the ASX that GSE has recompiled with Chapters 1 and 2

- Approval by the shareholders of GSE
- NHS entering into a binding contractual agreement to acquire Galen & Gray.

The transaction is subject to satisfactory financial and legal due diligence in relation to the business assets and liabilities of NHS (including Galen & Gray) and of GSE.

The acquisition of NHS is in line with GSE's commitment to enter the healthcare services sector which it has identified as having attractive fundamentals. GSE believes the healthcare services sector offers the opportunity to deliver sustainable and growing cash flows over the long term without need for major capital investment.

GOLDSEARCH CHANGE IN MANAGEMENT

During the quarter, given the change of direction of Goldsearch, John Landerer and Robert Leece retired as directors of the company. Goldsearch is very appreciative for their strong support and sound advice to the Company over many years. Stephen Turner has joined the board, subject to shareholder approval as an interim director during the restructuring period arising from the proposed acquisition.

MARY KATHLEEN JOINT VENTURE

(GSE 20% CYU 80%)

In the previous quarter, directors made the decision to reduce Goldsearch's position in the Joint Venture from 30% to 20% to conserve funds. GSE's interest in the MKJV will reduce by 5% for each $500,000 of JV expenditure incurred by CYU after which GSE's interest will revert to a 1.75% net smelter royalty (NSR).

MOUNT FROSTY JOINT VENTURE

CYU has continued to advance its exploration program at its Jubilee and Blue Caesar prospects near Mt Isa in northwest Queensland.

Highlights for the quarter include:

- Commencement of further exploration of drilling at Jubilee and Blue Caesar which included 9 RC drill holes at Jubilee designed to extend the mineralised zone across a 500m strike length and at depth, and 3 RC drill holes designed to test the mineralisation 100m down dip of the previous successful drilling at Blue Caesar
- On 2 October CYU announced all 9 RC drill holes at Jubilee had intersected significant copper mineralisation, confirming potential extension of a mineralised zone along length of strike as well as at depth
- Significant intersections from drilling at Jubilee, announced on 15 October included
    - 10m @ 3.37% Cu and 2.28g/t Au from 107m depth, including 6m @ 5.34% Cu and 3.72g/t Au (Drill hole Q-029)
    - 9m @ 2.8% Cu and 1.44g/t Au from 73m depth, including 1m @ 7.32% Cu and 1.53g/t Au, 1m @ 10% Cu and 4m @ 3.01g/t Au (Drill hole Q-028)
    - 7m @ 1.25% Cu and 0.81g/t Au from 65m depth, including 3m @ 3.63% Cu and 1.49 g/t Au (Drill hole Q-025)
    - 7m @ 1.3% Cu and 0.22g/t Au from 120m depth, including 1m @ 7.15% Cu and 1.21 g/t Au (Drill hole Q-027)

A follow-up drilling program at Jubilee is to be carried out in November with the intention of testing the length and depth of mineralisation at Jubilee.

MUSGRAVE MINERALS LIMITED (ASX:MGV)

(GSE 3.02% 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.

Highlights for MGV during the quarter include:

- Diamond drilling intersection of disseminated sulphide at Pallatu 6 and 7 targets at the Deering Hills Project and the commencement of down hole electromagnetic survey (DHEM)
- On 25 August MGV announced it had been successful in the ballot for the Southern Gawler Craton tenement EL 2014/00092, now named the Corunna Project. The Southern Gawler Craton hosts the Menninnie Dam Zn-Pb-AG deposit and the 20Moz Paris epithermal silver deposit.
- Commencement of a detailed aeromagnetic survey over the new Mamba nickel-copper project in the Fraser Range in Western Australia. On 7 October MGV announced that it had identified 12 priority targets at the Mamba Project. MGV is currently designing follow-up exploration on the targets which will involve a combination of ground electromagnetic (EM) surveys to define specific bedrock conductors and aircore drilling to identify the potential footprint of nickel-copper mineralisation. The tenement is along strike from Sirius' Nova deposit (Sirius Resources NL).

DUCK CREEK JOINT VENTURE

GSE retains a 1.5% net smelter royalty (NSR) on EPM 13336 and 15718, which it transferred to Queensland Mining Corporation (QMN) last quarter.

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 Willsteed, BE (Min) Hons, BA, FAusIMM as a Competent Person for Goldsearch Limited. Mr Willsteed consents to the inclusion in this report of these matters based on their information in the form and context in which it appears.