

ASX RELEASE

27 June 2016

GOLDSEARCH SIGNS TERMS SHEET WITH ZOONO GROUP LIMITED AND ASSOCIATED ENTITIES

Goldsearch Limited (ASX: GSE) is pleased to announce that it has signed a Term Sheet to acquire 100% of the shares and 100% of the assets and business undertakings of Zoono Group Limited (Parent Company) (**Zoono**). Businesses to be acquired include, but are not limited to, Zoono Limited, (100% owned Subsidiary New Zealand Registered Trading Company) and Zoono USA Inc. (100% owned California Registered Subsidiary).

Goldsearch has completed initial Due Diligence on Zoono and will progress to a final Sales and Purchase Agreement as outlined in the proposed timetable below. This is in line with the health and medical focus pursued by the Company.

ABOUT ZOONO:

Zoono is a Pharmaceutical and Bio Technology Company specialising in the development, manufacture and sales of a unique long lasting antimicrobial technology effective against all pathogens including bacteria, viruses, mould, algae and fungi.

Zoono, through a strong foundation of research, development and the use of innovative technologies, is dedicated to providing a range of environmentally friendly, trusted, high quality, long lasting and durable surface-acting antimicrobial products for commercial, industrial, health, consumer and residential use.

Importantly, all of Zoono's formulations are US Food and Drug Administration (FDA) compliant and Environmental Protection Authority (EPA) registered. Zoono also has Australian Quarantine and Inspection Services (AQIS) and New Zealand Ministry of Primary Industry approvals as a food contact surface disinfectant which gives Zoono all food safety approval in these markets.

Zoono is committed to building an industry leading position in specific market segments where Zoono has a clear competitive advantage.

Zoono has successfully developed several product ranges, including medical, personal care, industrial, textile, and water treatment. These products are sold globally through a distributor network now in over 40 countries.

Zoono has been successfully tested against a variety of pathogens including the hospital superbug MRSA (Methicillin-Resistant Staphylococcus Aureus), plus H1N1 (Swine flu), MERS (Middle East Respiratory Syndrome) and Norovirus. Zoono has over 100 independent test results from 3rd party laboratories across the globe operating under ISO (International Standards Organisation) or GLP (Good Laboratory Practice) standards.

Among Zoono's key customers is CVS Pharmacy in the USA where its hand sanitiser is sold in over 8,000 stores under the CVS GermFree24 Brand. The Zoono personal care products have also entered the Chinese market and initially are being sold in the Grand Buy department stores and on-line with Taobao. Key Japanese customers include large multi-national pharmaceutical and textile companies manufacturing medical fabrics, anti-fungal socks and other clothing.

Zoono fogging agent is also widely used in public transport in the Middle East and following the completion of highly successful medical trials is now entering the USA Healthcare market, plus many more global initiatives.

Zoono is a profitable company and has laid a platform for strong growth in the coming years via the proposed transaction with Goldsearch with the ability to raise new capital to take a more aggressive growth path and develop ranges of unique products using the Zoono technology.

Zoono products are manufactured and packaged in New Zealand and in the USA.



ZOONO CEO, Mr. Paul Hyslop, commented:

"Zoono generated an operating profit of \$978,000 on revenues of \$2M in the March 2016 year showing steady growth from an operating profit of \$796,000* on revenues of \$1.5M in the March 2015 year and \$359,000* on revenues of \$704,000 in the March 2014 year."*

The 2017 year is expected to be higher again due to deals that the company already has in place. Growth is expected to come from the USA and Asia with significant business also developing in the Middle East."

*Operating profit calculated before shareholders' drawings and in NZD. Figures are unaudited.



KEY TERMS OF THE TRANSACTION:

Goldsearch and Zoono have signed a Term Sheet to acquire 100% of the shares and 100% of the assets and business undertakings of Zoono Group Limited. Key terms are detailed below.

Consideration

The Consideration payable by the Company under the proposed transaction is 94,500,000 fully paid ordinary shares in the capital of the Company (Shares) on a post-Consolidation basis to Zoono Group Limited (or its nominee).

Conditions Precedent

Completion of the proposed acquisition will subject to:

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

Escrow Arrangements

The Vendor and Promoters have agreed to comply with all escrow provisions as may be imposed by ASX.

Re-Compliance with ASX Listing Rules Chapters 1 And 2:

The proposed transaction will result in a significant change to the nature and scale of Goldsearch's activities and therefore ASX Listing Rules 11.1.2 and 11.1.3 will apply. Accordingly, the proposed transaction will require the approval of Goldsearch's shareholders under ASX Listing Rule 11.1.2 and will also require Goldsearch to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Shareholder Approvals

A notice of meeting seeking shareholder approval for the resolutions required to effect the proposed transaction will be sent to Goldsearch Shareholders in due course. It is expected that Goldsearch will convene a meeting to facilitate shareholder approval in August 2016.

Suspension from ASX

It is expected Goldsearch's securities will be suspended pursuant to this announcement and, subject to Goldsearch shareholder approval being obtained, will remain suspended until Goldsearch has re-complied with ASX Listing Rules and the proposed transaction has taken effect.

Proposed Capital Structure:

The anticipated effect of the Proposed Transaction on the capital structure of the Company is set out in the table below.

	Shares
Securities on issue pre consolidation	15,545,242
Securities on issue post consolidation (2:1)	7,772,621
Consideration for Proposed Transaction	94,500,000
Capital Raising	50,000,000
Promoters and Advisors	7,560,000
Total Shares on Issue	159,832,621

* All figures are subject to change. There are no options or other securities on issue.

Proposed Board Changes

Several Board changes are envisaged as part of the transaction. Additional Directors include highly experienced current and former ASX directors with pharmaceutical experience as well as Zoono representatives. Full details of these individuals will be released post completion of the Sales and Purchase Agreement and satisfaction of conditions precedent.

Proposed Indicative Timetable:

Event	Date
ASX announcement of the Proposed Transaction (Securities suspended from this date)	June 2016
Due Diligence	June 2016
Send Notice of Meeting seeking approval for Capital Raising, Consolidation and issue of Shares as consideration for the Proposed Transaction	July 2016
Shareholder meeting	August 2016
Lodge Prospectus and Offer Opens	August 2016
Complete Capital Raising	October 2016
Completion of Proposed Transaction	October 2016
Securities resume trading	October 2016

* This timetable is indicative only and subject to change. Further details and dates will be provided as they become available.

Change of Name

Goldsearch Limited intends to change its name to Zono Group Limited as part of the transaction.

For further information please contact:

Elissa Hansen
Director/Secretary, Goldsearch Limited
on 0411 764 556

