

gsh/psh/gsh883

25 February 2014

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

Number of pages – 1

Dear Sir,

Overhead reductions

In the chairman's letter in the 2013 annual report it was advised that the directors are "considering a number of proposals as to the future direction of the Company. It is essential that the Company have sufficient funding to meet its exploration commitments or to seek alternative proposals within its funding capacity. As soon as any viable proposal becomes available we will advise shareholders."

The directors are currently considering new opportunities for the Company's future and are in early stage negotiations for an acquisition and associated capital raising. Pending advancement of these negotiations the directors have adopted an overhead reduction strategy in an effort to preserve existing working capital.

As part of this overhead reduction strategy the directors have today accepted the resignation of Mr J M E Percival as executive director of operations of the Company with effect from 31 May 2014. Mr Percival will remain as a non-executive director.

Additionally the directors have agreed that payment of directors fees be withheld until a viable proposal is finalised.

In the interim, the executive functions will be the responsibility of the board as a whole in conjunction with the Company Secretary.

For and on behalf of the directors of
Goldsearch Limited



P S Hewson
Secretary