



**EASTERN GOLDFIELDS LIMITED**  
(Subject to Deed of Company Arrangement and  
to be renamed **ORA BANDA MINING LIMITED**)

**ACN 100 038 266**

**PROSPECTUS**

For a non-renounceable pro rata entitlement offer of 761,784,750 New Shares at an issue price of 1 cent per New Share on the basis of one New Share for every one Share held by Eligible Shareholders at the Record Date to raise up to approximately \$7.6 million (before costs).

The Entitlement Offer is currently expected to close at 5:00pm (WST) on 15 May 2019. Valid Applications must be received before that time. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, the Directors reserve the right to extend the closing date of the Entitlement Offer and to withdraw or vary the Entitlement Offer without prior notice.

This Prospectus also contains separate offers of securities, detailed in the Prospectus, that relate to the offer of Shortfall Shares, Placement Shares, Lead Manager Options and Noteholder Options.

This Prospectus is also being issued in order to facilitate secondary trading of Shares to be issued to advisers and other parties and upon the conversion of certain debt. Refer to Section 3 for further details.

The Deed Administrators, who have granted the Directors their approval under the DOCA to exercise the Directors' powers reflected herein, have not independently verified any of the information contained in this Prospectus. The Deed Administrators and their employees and agents do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Prospectus.

To the extent permissible by law, all such parties and entities expressly disclaim any and all liability for, or based on or relating to, any such information contained in, or errors in or omissions from this Prospectus. Notwithstanding this, the Deed Administrators consent to the preparation, issue and dispatch of this Prospectus.

**This is an important document which should be read in its entirety. If you have any questions about the securities being offered pursuant to this Prospectus, or any other matter, you should consult your stockbroker, accountant or other professional adviser. The securities offered pursuant to this Prospectus should be regarded as highly speculative. Refer to Section 6 for a summary of the key risks associated with an investment in the Company.**



## LETTER FROM THE CHAIRMAN

Dear Shareholders and Investors,

It is with pleasure that I invite you to invest in the Company, which your Board believes to be a compelling value proposition as an investment in the local Australian gold sector.

This Prospectus is one part of a recapitalisation, which comprises the extinguishment of all pre administration claims and debts, and a capital raising for a total of \$30 million to \$40 million.

Shares issued to you under this Prospectus will be entitled to vote at the General Meeting. An important aspect of the recapitalisation is the passing of all Resolutions at the General Meeting. The Directors unanimously recommend that you vote in favour of all Resolutions at the General Meeting (except where the Directors have specifically abstained from making a recommendation). If all Resolutions are not passed at the General Meeting, the Company will need to renegotiate with its Secured Creditors and, if unsuccessful, the Company may be forced into liquidation.

The Securities offered pursuant to this Prospectus should be regarded as highly speculative. Refer to Section 6 for a summary of the key risks associated with an investment in the Company.

The Company's new Board and Management team have spent the last six months identifying the historical problems with the Company and its assets. They have developed, in a methodical and disciplined way, a detailed program to maximise value for shareholders, harnessing the significant unique opportunities available to the Company:

- Established resources, located on a large (1,336 km<sup>2</sup>) and highly prospective tenement portfolio in a Tier 1 Gold mining province north west of Kalgoorlie in Western Australia, with a known high grade 1.8 million ounces<sup>1</sup> resource base, including the advanced Riverina, Waihi, Siberia, Callion and Golden Eagle deposits.
- Ownership of an existing 1.2 Mtpa processing hub, with well-established infrastructure, including improvements to the existing valuable processing plant have been scoped and costed at approximately \$15 million, and, if a decision is made to mine it will facilitate early production.
- On completion of the recapitalisation, your Company will have the balance sheet capacity, free of debt, needed to pursue a well-considered and thorough strategy for its future.
- There is now in place a highly credentialed and experienced Board and Management team.

The Board is confident that, through its robust program, the Company will see the successful conversion of the known in-ground resources to a healthy mining reserve, targeting the higher grade portions of the deposits. Historically, insufficient time and expense has been devoted to the development of a reliable mine plan and insufficient work was done to convert the resources to mining reserves. Extensive work has been completed successfully to secure all material mining titles from a host of plianters.

In addition, a Deed of Company Arrangement has been executed, which will extinguish all of the Company's substantial pre-administration claims and debts.

In short, the Company has defined a pathway to undertake a Definitive Feasibility Study. The Board expects this to realise the significant value of the Company's assets. In addition, the Board expects to unlock further value from an extensive and systematic exploration program across the Company's highly prospective and large under-explored landholding. This landholding has not been meaningfully explored for many years and includes a number of exciting prospects for discovery.

The recapitalisation consists of an Entitlement Offer of up to approximately \$7.6 million; a Shortfall Offer and an issue of New Convertible Notes and Placement Shares to raise the balance of the total capital raising. Further details of these offers are to be found in this Prospectus. Critically, following the recapitalisation and repayment of debts, the Company will be well-funded and debt free for the first time in many years, with working capital of at least \$15.2 million.

Your Board firmly believes that this represents a bright new dawn for Ora Banda Mining.<sup>2</sup>

I encourage you to read this Prospectus carefully and in its entirety before applying for any Securities. If you are in any doubt as to the contents of this Prospectus, you should seek independent professional advice.

Yours faithfully,



**Peter Mansell**

**Non-Executive Chairman**

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<sup>1</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code.

<sup>2</sup> Eastern Goldfields Limited will be renamed Ora Banda Mining Limited if shareholders approve the name change at the upcoming General Meeting.

# IMPORTANT INFORMATION

## General

This Prospectus is dated 30 April 2019 and was lodged with ASIC on this date. Neither ASIC, ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation by ASX of the New Shares offered under this Prospectus.

A copy of this Prospectus and all documents lodged with ASIC in relation to the Company are available for inspection at the Australian registered office of the Company at level 2, 220 St Georges Terrace, Perth WA 6000 during normal business hours.

No person or entity is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

## Application Forms

The Application Forms accompanying this Prospectus are important.

Acceptance of New Shares, Lead Manager Options and Noteholder Options under the Offers can only be submitted on an Application Form sent with a copy of this Prospectus. If acceptance is by BPAY® there is no need to return an Application Form. Refer to the instructions in Section 5 regarding completion of the Application Forms.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offers detailed in this Prospectus.

## Eligibility

Eligible Shareholders can only take up their Entitlements by completing and returning the Entitlement and Acceptance Form, accompanying this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Entitlement Offer.

Eligible Shareholders may apply for Shortfall Shares by completing the relevant section of their Entitlement and Acceptance Form. Other investors may apply for Shortfall Shares under the Shortfall Offer by completing a Shortfall Application Form, which can be obtained by contacting the Share Registry or the Lead Manager.

Investors may apply for Placement Shares under the Placement Offer by completing a Placement Application Form, which can be obtained by contacting the Share Registry or the Lead Manager. The Placement Offer will remain open until the issue of Placement Shares and Ancillary Shares, and the Shares issued in connection with the satisfaction of the claims relating to Existing Convertible Notes, Secured Hawke's Point Debt and Supporting Creditors Debt and the conversion of New Convertible Notes.

Only the Lead Manager (and/or its nominees) can accept the Lead Manager Offer. Only the Secured Creditors (and/or their nominees) can accept the Noteholder Offer.

## Overseas Shareholders

This Prospectus does not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The Offers are not being extended, and Securities will not be issued, to persons with a registered address which is outside Australia, New Zealand, Hong Kong, Singapore, United Kingdom and Canada where the Offers do not fall within a security offering exception applicable to those persons in that jurisdiction. In respect of the Entitlement Offer, it is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia.

Nominees and custodians may not distribute this Prospectus, and may not permit any beneficial shareholder to participate in the Offers, in any country outside Australia, New Zealand, Hong Kong, Singapore, United Kingdom and Canada except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offers.

## **New Zealand**

### *Entitlement Offer*

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### *Placement Offer*

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the **FMC Act**). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## **Hong Kong**

### *Entitlement Offer*

**WARNING:** The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### *Placement Offer*

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## **Singapore**

### *Entitlement Offer*

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### *Placement Offer*

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **United Kingdom**

#### *Entitlement Offer*

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

#### *Placement Offer*

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the FSMA) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

## **Canada**

### *Entitlement Offer*

This document constitutes an offering of the New Shares only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**) and only to existing shareholders of the Company in a rights issue. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

### *Statutory rights of action for damages and rescission*

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

- (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation;

- (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and
- (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right the purchaser may have.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only.

#### *Placement Offer*

This document constitutes an offering of New Shares only in the Provinces and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

#### Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the

applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

- (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation;
- (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and
- (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only.

### **Continuously Quoted Securities**

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. 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 information that would be included in a prospectus for an initial public offering.

### **Exposure Period**

No exposure period applies to the Offers.

### **Speculative Investment**

An investment in Securities should be considered highly speculative. Refer to Section 6 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for Securities should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Securities.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments,

investment objectives and individual financial circumstances. If persons considering applying for Securities have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that the Shares will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

### **Privacy Statement**

To apply for Securities you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. The Corporations Act and taxation law requires some of this personal information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's Related Bodies Corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder or Optionholder, the Corporations Act requires the Company to include information about the Shareholder or Optionholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder or Optionholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

### **Competent Persons Statement**

The information in this Prospectus is based on, and fairly represents, information and supporting documentation prepared and conclusions derived by Andrew Czerw. Mr Czerw is a member of the Australian Institute of Mining and Metallurgy and is employed by the Company. Mr Czerw has sufficient experience that is relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Czerw consents to the inclusion in the Prospectus of the matters based on his information and has reviewed all statements pertaining to this information in the form and context in which it appears. Mr Czerw has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

### **Exploration Results, Mineral Resource or Ore Reserves**

The information in this Prospectus that relates to Exploration Results, and the Sand King, Missouri Mineral Resources is based on information compiled under the supervision of Mr Andrew Czerw, an employee of Eastern Goldfields Limited, who is Member of the Australian Institute of Mining and Metallurgy. Mr Czerw has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Czerw consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this Prospectus that relates to Mineral Resources (with the exception of the Sand King and Missouri Mineral Resources) is based on information compiled under the supervision of Mr Andrew Czerw, an employee of Eastern Goldfields Limited, who is Member of the Australian Institute of Mining and Metallurgy. Mr Czerw has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus" on 13 February 2013. The Company confirms that the form and context in which the Competent Person's findings are presented have not been modified from the original announcement and, in the case of estimates of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the initial announcement continue to apply and have not materially changed. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this Prospectus that relates to Ore Reserves is based on information compiled under the supervision of Mr Craig Mann, who is an independent mining engineering consultant and a full-time employee of Entech Pty Ltd. Mr Mann has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr

Mann consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Unless otherwise stated, all Mineral Resources and Ore Reserves (with the exception of Missouri and Sand King) are reported in accordance with JORC 2004. The relevant information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

### **Forward-looking Statements**

This Prospectus contains forward-looking statements which may be identified by words such as "believes", "estimates", "expects", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 6. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

### **Timing of the Offers**

The Entitlement Offer and the Shortfall Offer will open on 6 May 2019 and close in accordance with the timetable detailed in the Indicative Timetable (as may be amended). The Placement Offer will open on 6 May 2019 and close immediately after the issue of all of the Placement Shares, Ancillary Shares and the Shares issued in connection with the satisfaction of the claims relating to Existing Convertible Notes, Secured Hawke's Point Debt and Supporting Creditors Debt and the conversion of New Convertible Notes.

### **Secondary Trading**

In addition to facilitating the making of the Offers, this Prospectus is being issued to:

- (a) comply with section 708A(11) of the Corporations Act to facilitate the secondary trading of the Ancillary Shares, Lead Manager Shares and the Shares to be issued in connection with the Debt Repayment; and
- (b) allow the holders of Shares issued upon exercise of the Lead Manager Options and Noteholder Options the ability to sell those Shares within 12 months after their issue without disclosure in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

Refer to Section 3 for further details.

### **New Convertible Notes**

The Company will be issuing New Convertible Notes as part of the Recapitalisation. The New Convertible Notes will not be offered pursuant to this Prospectus. The New Convertible Notes will be offered to sophisticated and professional investors in accordance with sections 708(8) and 708(11) of the Corporations Act, respectively, without a disclosure document. This Prospectus is being issued to comply with section 708A(11) of the Corporations Act to facilitate the secondary trading of the Shares to be issued in connection with the Debt Repayment (which includes conversion of the New Convertible Notes to Shares).

### **Website**

Except as otherwise detailed in this Prospectus, no document or information included on the Company's website is incorporated by reference into this Prospectus.

### **Information from the Notice of Meeting and website incorporated by reference**

Detailed in Section 2.10 is a summary of the information contained in the Notice of Meeting that is incorporated in this Prospectus to assist investors and their professional advisers for the purposes of making an informed investment decision in relation to the Securities offered by this Prospectus.

Drilling results in relation to the Company's projects are located on the Project Overview section of the Company's website.

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## **Photos and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

## **Currency**

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

## **Rounding**

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

## **Time**

All references to time in this Prospectus are references to WST, unless otherwise stated.

## **Glossary**

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 14.

## INDICATIVE TIMETABLE

Event	Indicative Date <sup>1</sup>
Despatch Prospectus and Notice of Meeting	6 May 2019
Entitlement Offer Opening Date New Convertible Note raising commences	6 May 2019
Entitlement Offer Closing Date	15 May 2019
Allocate Shortfall Shares	20 May 2019
New Convertible Note offer closes	20 May 2019
Entitlement Offer / New Convertible Note proceeds received by the Company	27 May 2019
Issue Entitlement Offer Shares, Shortfall Shares and New Convertible Notes	27 May 2019
Creditors' Trust established, DOCA effectuated and Company comes out of DOCA	27 May 2019
Despatch of holding statements	28 May 2019
Complete Proxy Forms for General Meeting and AGM	by 5 June 2019
Voting Cut-Off Date for General Meeting and AGM	5 June 2019
General Meeting and AGM	7 June 2019
Issue of Shares to creditors	11 June 2019
Placement Offer Closing Date Issue of Placement Shares	11 June 2019
Expected date for Shares to recommence trading on ASX	19 June 2019

- 1 The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates without prior notice. The Directors reserve the right not to proceed with the whole or part of the Offers at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest in accordance with the Corporations Act.
- 2 The Shares issued pursuant to the Offers will be issued prior to the Company's Shares being reinstated to trading on ASX under Listing Rule 17.7. Whilst the Shares issued pursuant to the Offers will be admitted to quotation following close of the Offers (to comply with section 727(3)(b) of the Corporations Act), there is no guarantee that the Company's Shares being reinstated to trading on ASX.
- 3 The record date for the General Meeting, the date for receipt of proxy forms and the date of the General Meeting may change if the General Meeting is adjourned, postponed or a subsequent meeting in relation to the matters detailed in the Notice of Meeting is held.
- 4 The above timetable may be delayed or extended if Shareholders do not approve the Resolutions put forward at the General Meeting. If the timetable is not achieved, the Company may be forced into liquidation.
- 5 Further details of the Entitlement Offer timetable is detailed in Section 3.1(c).

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## 1. Investment Overview

Topic	Summary	Further Information
<b>A. Company Overview</b>		
<b>Who is the issuer of this Prospectus?</b>	Eastern Goldfields Limited ACN 100 038 266 (to be renamed Ora Banda Mining Limited and currently subject to Deed of Company Arrangement).	N/A
<b>What is the current status of the Company?</b>	<p>The Company is an Australian public company that has been listed on the Official List (ASX code: EGS; proposed new ASX Code: OBM) since 29 October 2002.</p> <p>The Company's Shares have been suspended from trading on ASX since 25 July 2018.</p> <p>The Group entered into voluntary administration on 29 November 2018. Martin Jones and Andrew Smith of Ferrier Hodgson were appointed joint and several administrators of the Group.</p>	Section 2.1
<b>Administration and the DOCA</b>	<p>At a meeting of creditors of each Group entity held on 1 February 2019, the creditors of each Group entity resolved to execute a deed of company arrangement proposed by Hawke's Point, a secured creditor of the Company (<b>DOCA</b>). The DOCA was executed on 12 February 2019.</p> <p>At the date of this Prospectus, all of the conditions precedents to effectuation of the DOCA have been satisfied other than:</p> <ul style="list-style-type: none"> <li>the completion of a capital raising; and</li> <li>the Deed Administrators and the Board being satisfied that shareholder approval for the Debt Repayment will be obtained either at the General Meeting, or within a reasonable timeframe thereafter.</li> </ul> <p>Importantly, all claims and debts which existed as at 28 November 2018 (being the date immediately prior to the date that voluntary administrators were appointed to the Company) will be extinguished following completion of the DOCA and the Debt Repayment.</p> <p>Further details of the DOCA are detailed in section 11.1.</p>	Section 11.1
<b>B. Recapitalisation</b>		
<b>What is the Recapitalisation?</b>	<p>The Recapitalisation provides for the extinguishment of all of the Company's debts which were owing as at 28 November 2018 (being the date immediately prior to the date that voluntary administrators were appointed to the Company) as well as a capital raising of a minimum of \$30 million and a maximum of \$40 million to ensure the Company is well-funded by way of:</p> <ul style="list-style-type: none"> <li>a 1 for 1 non-renounceable entitlement offer priced at 1 cent per share to raise up to approximately \$7.6 million;</li> <li>an offer of shares not subscribed for under the Entitlement Offer;</li> <li>an offering of convertible notes raising up to \$38.7 million (the amount to be reduced to the extent that existing Eligible Shareholders take up their entitlements under the Entitlement Offer and Shortfall Offer and new investors to subscribe for Shares under the Shortfall Offer and Placement Offer); and</li> <li>an offer of shares priced at 1 cent per share to raise up to \$4 million, with the shares to be issued following receipt of Shareholder approval at the General Meeting.</li> </ul> <p>Subject to Shareholder approval, the Company will issue Shares in connection with the satisfaction of the claims relating to the Existing Convertible Notes, Secured Hawke's Point Debt and Supporting Creditors Debt and the conversion of New Convertible Notes.</p>	Section 2.3

Topic	Summary	Further Information
<b>What is the purpose of the Recapitalisation and DOCA?</b>	<p>The purpose of the Recapitalisation and the DOCA is to:</p> <ul style="list-style-type: none"> <li>extinguish all the current debt obligations of the Group owing as at 28 November 2018 (being the date immediately prior to the date that voluntary administrators were appointed to the Company); and</li> <li>provide the Group with sufficient capital to execute its business plan described in Section 2.</li> </ul>	Section 2
<b>What is the timing of the Recapitalisation?</b>	<p>The Company will undertake the following steps in order to recapitalise the Company:</p> <ul style="list-style-type: none"> <li>conduct the Capital Raising;</li> <li>issue Shares pursuant to the Capital Raising (except Placement Shares);</li> <li>hold the General Meeting to approve all resolutions in relation to, amongst other things, issuing Shares in connection with the Capital Raising and the Debt Repayment;</li> <li>issue Shares to various creditors to satisfy claims (and issue Placement Shares); and</li> <li>satisfy ASX that its Shares are suitable to be reinstated to trading on ASX.</li> </ul> <p>After you have been issued your Shares pursuant to the Capital Raising, if Shareholders do not approve the resolutions put forward for approval at the General Meeting or an adjourned or subsequent meeting, the Company may be forced into liquidation.</p> <p>Further details of the timing for the Recapitalisation are contained in the Indicative Timetable and Section 3.1(c).</p>	Indicative Timetable and Section 3.1(c)
<b>C. Business Plan &amp; Financial Position</b>		
<b>What does the Company do and what is its business plan and strategy?</b>	<p>The Company is a gold exploration company. Following completion of the Recapitalisation the Company will be focused on:</p> <ul style="list-style-type: none"> <li>converting the already identified in-ground resources to a healthy mining reserve, targeting the higher grade portions of deposits;</li> <li>a defined pathway to undertake a definitive feasibility study; and</li> <li>unlocking value from an extensive and systematic exploration program across the Company's highly prospective and large under-explored landholding.</li> </ul>	Section 2.2
<b>What are the Company's financial prospects and position?</b>	<p>Assuming the Company raises \$35 million under the Capital Raising, the Company's pro forma statement of financial position as at 31 December 2018 has net assets of approximately \$42.9 million.</p> <p>Importantly, all claims and debts which existed as at 28 November 2018 (being the date immediately prior to the date that voluntary administrators were appointed to the Company) will be extinguished following completion of the DOCA and the Debt Repayment.</p> <p>This financial position takes into account a number of subsequent events and transactions, as detailed in the Independent Limited Assurance Report included in Section 8 and is made up of total assets of \$57.8 million (including cash of \$19.9 million) and total liabilities of \$15.7 million.</p> <p>Relevant financial information in respect to the Company, including a pro forma statement of financial position detailing the effect of the Capital Raising and the Recapitalisation, is contained in the Independent Limited Assurance Report included in Section 8.</p>	Section 8
<b>What material contracts is the Company party to?</b>	<p>The Company is a party to a number of material contracts, both in relation to the implementation of the Recapitalisation and the on-going operations of the Company. These contracts are summarised in Section 11.</p>	Section 11

Topic	Summary	Further Information
<b>D. Summary of the Offers being made under the Prospectus</b>		
<b>Is the Capital Raising subject to a minimum subscription?</b>	The Entitlement Offer, Shortfall Offer, Placement Offer and New Convertible Note raisings do not have an individual minimum subscription. However, the minimum amount to be raised pursuant to the Capital Raising as a whole is \$30 million.	Section 3.9
<b>Have any Shareholders committed to taking up their Entitlements?</b>	<p>The Company has agreed to allocate and Hawke's Point has committed to subscribe for such number of Shares and New Convertible Notes as will equal 25% of the total quantum of the Capital Raising up to a maximum of \$10 million. The New Convertible Notes issued to the Secured Creditors will fall under the Company's existing security arrangements. ASX has granted a waiver from Listing Rule 10.1 on conditions which include that the existing security documents are amended to satisfy the conditions of the waiver (see Section 11.9). Hawke's Point has agreed to procure that the terms and conditions of the Security Trust Deed are amended subject to and with effect from completion of the Hawke's Point New Convertible Note Deed to include the conditions required by the ASX Waiver.</p> <p>Hawke's Point has the right but not the obligation to increase its participation in the Capital Raising above 25% up to a maximum of \$10 million.</p> <p>If a greater level of participation from Hawke's Point is required in order to reach the minimum capital raising amount of \$30 million, Hawke's Point has indicated it will consider increasing its participation at the request of the Company (but without any obligation to do so) as necessary to reach the minimum capital raising, up to a maximum participation of \$15 million.</p> <p>Hawke's Point will only be issued securities under the Entitlement Offer and Shortfall Offer to the extent that its voting power does not exceed 19.99%, with the balance of its commitment being issued in New Convertible Notes.</p>	Section 3.1(e)
<b>Are the Offers underwritten?</b>	Peter Mansell, David Quinlivan and Keith Jones have agreed to underwrite the Entitlement Offer to varying extents. Refer to sections 3.11 and 12.9 for more details.	Sections 3.11 and 12.9
<b>What is the Entitlement Offer and what are its key terms?</b>	Part of the Capital Raising is to undertake a pro-rata non-renounceable entitlement offer of 1 New Share for every 1 Share held by Shareholders on the Record Date at an issue price of 1 cent per New Share to raise up to approximately \$7.6 million.	Section 3.1
<b>Who can participate in the Entitlement Offer?</b>	The Entitlement Offer is being extended to Shareholders with a registered address on the Record Date in Australia, New Zealand, UK, Hong Kong, Singapore and Canada.	Section 3.1
<b>How do I accept my Entitlement?</b>	All Eligible Shareholders are entitled to participate in the Entitlement Offer. If you wish to accept all or part of your Entitlement, you must complete your Entitlement and Acceptance Form that accompanies this Prospectus and send it to the Share Registry together with payment by cheque, bank draft or money order or follow the instructions to pay via BPAY®.	Section 5.1
<b>Can I sell or transfer my Entitlement under the Entitlement Offer?</b>	No.	Section 5.1(e)

Topic	Summary	Further Information
<b>Can I subscribe for more than my Entitlement?</b>	<p>Yes, if you take up your Entitlement in full, you can apply for additional New Shares under the Shortfall Offer.</p> <p>There is no limit to the amount of New Shares you may subscribe for under the Shortfall Offer. However, the Shortfall will only be placed to the extent that such allocation is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company exceeding 19.99%, or as permitted by one of the limited exceptions.</p> <p>The allocation of additional New Shares applied for under the Shortfall Offer will be subject to the Shortfall (if any) that exists.</p>	Section 5.1 and 5.2
<b>What is the timing of the Entitlement Offer?</b>	<p>Shares issued under the Entitlement Offer and Shortfall Offer will be issued before the record date for the General Meeting and therefore be eligible for voting at that meeting.</p> <p>Further details on the indicative timetable to the Entitlement Offer are contained in Section 3.1(c).</p>	Section 3.1(c)
<b>What is the Shortfall Offer?</b>	<p>The Company will offer shares not subscribed for under the Entitlement Offer to existing Shareholders and new investors at the same price as the Entitlement Offer.</p>	Section 3.2
<b>How will Shortfall be allocated?</b>	<p>If there any New Shares under the Entitlement Offer that are not applied for, the Company will allocate Shortfall Shares according to the following priority, with such allocation being in compliance with the takeover provisions:</p> <ul style="list-style-type: none"> <li>to each existing Shareholder who has applied for Shortfall Shares through the Shortfall Offer;</li> <li>if following the allocation above there remains Shortfall Shares, to those investors who apply for Shortfall Shares following an invitation from the Company or the Lead Manager; and</li> <li>if following the allocation above there remains Shortfall Shares, to the Underwriters on a pro-rata basis to the amount underwritten.</li> </ul> <p>Subject to the above, the Directors reserve the right at their absolute discretion to reject any application for Shortfall Shares.</p>	Section 3.2(c)
<b>What is the Placement Offer?</b>	<p>The Company will offer up to 400,000,000 Shares at the same price as the Entitlement Offer, with the Shares to be issued following receipt of Shareholder approval at the General Meeting.</p>	Section 3.3
<b>What is the Lead Manager Offer?</b>	<p>The Company is offering up to 165,000,000 Options to the Lead Manager appointed to manage the Capital Raising as part consideration for their facilitation of the Capital Raising and assistance with the Recapitalisation.</p> <p>The Lead Manager will also be issued with 30,000,000 Shares as consideration for facilitating the Capital Raising.</p>	Section 3.4
<b>What is the Noteholder Offer?</b>	<p>Consistent with the terms of the Existing Convertible Note Deeds, the Company is offering 43,750,000 Options to the Secured Creditors.</p>	Section 3.5
<b>What are the terms of the Shares offered pursuant to this Prospectus?</b>	<p>A summary of the rights and liabilities attached to the Shares offered pursuant to this Prospectus is detailed in Section 12.1.</p>	Section 12.1
<b>Secondary Trading</b>	<p>This Prospectus is also being issued in order to facilitate secondary trading of Shares to be issued to advisers and other parties and upon the satisfaction of claims and conversion of outstanding debts.</p>	Section 3.7

Topic	Summary	Further Information
<b>E. Shareholder Meetings</b>		
<b>Why is the Company holding a General Meeting?</b>	<p>The Company will hold a General Meeting in order for Shareholders to consider, vote and approve various components of the Recapitalisation and other matters, including, but not limited to:</p> <ul style="list-style-type: none"> <li>the acquisition by Hawke's Point and its associates of a relevant interest in and voting power of up to approximately 42.85% of the Shares for the purpose of item 7 section 611 of the Corporations Act as a result of the Company issuing securities to satisfy claims and convert outstanding debt;</li> <li>the issue of Shares to various creditors to satisfy claims;</li> <li>the issue of Shares in connection with the Capital Raising;</li> <li>the issue of Options to the Lead Manager and Secured Creditors;</li> <li>the adoption of an employee option plan and issue of Options to Directors;</li> <li>the consolidation of the share capital of the Company on a 1 for 15 basis; and</li> <li>change the Company's name to Ora Banda Mining Limited.</li> </ul>	Section 2.3 and 2.10
<b>Why your vote at the General Meeting is important</b>	<p>Shares issued under this Prospectus (other than the Placement Shares) will be issued before the record date for the General Meeting and therefore be eligible for voting at that meeting.</p> <p>Shareholders should ensure that they vote at the General Meeting, whether or not they intend to take up Shares under the Offers. If the resolutions the subject of the General Meeting are not passed (at the General Meeting or any adjourned or subsequent meeting), there is a risk that the Company may be forced into liquidation and its Shares will not be reinstated to trading on ASX.</p>	Section 2.3
<b>Annual General Meeting</b>	The Company's financial report for the year ended 30 June 2018 was not lodged within the timeframe required by the Corporations Act. The Company sought and received relief from ASIC allowing an extension of time to hold its AGM for the year ended 30 June 2018. The Company currently intends to hold its AGM for the year ended 30 June 2018 on the same date as the General Meeting.	N/A
<b>F. Debt and Convertible Notes</b>		
<b>Existing Convertible Notes</b>	<p>The Company has Existing Convertible Notes on issue totalling \$8,750,000 at the date of this Prospectus amounting to \$8,750,000. The purpose of the convertible note issue was to capitalise the Company as part of a proposed recapitalisation by the previous Board.</p> <p>The Company and the Secured Creditors have agreed, subject to Shareholder approval, for the Company to issue Shares (and the Noteholder Options) to the Secured Creditors (and/or their nominees) in full satisfaction of claims under the Existing Convertible Notes in accordance with the DOCA.</p>	Section 3.7(d) and 11.2
<b>Secured Hawke's Point Debt</b>	<p>Pursuant to the Secured Hawke's Point Debt, as at the date of this Prospectus, the Company currently owes \$11.4 million to Hawke's Point.</p> <p>The Company and Hawke's Point have agreed, subject to Shareholder approval, for the Company to issue Shares to Hawke's Point (and/or their nominees) in full satisfaction of claims under the Secured Hawke's Point Debt in accordance with the DOCA.</p>	Section 3.7(e) and 11.4
<b>Supporting Creditors Debt</b>	<p>The Supporting Creditors have agreed to accept a cash payment out of the Capital Raising equal to 22 cents in the dollar for 60% of each such Supporting Creditor's agreed claim amount and, subject to shareholder approval, convert the remaining 40% of their respective agreed claims to Shares in full satisfaction of the respective debts owed to them by the Company.</p> <p>The sum of \$4.6 million will be paid from the proceeds of the Capital Raising to the Supporting Creditors in full satisfaction of 60% of those creditors' compromised claims. Subject to Shareholder approval, the Company will issue up to 1,393,103,932 Shares at a deemed issued price of 1 cent per Share to the Supporting Creditors in full satisfaction of 40% of their total remaining claims of approximately \$34.8 million.</p>	Section 3.7(f)

Topic	Summary	Further Information																				
<b>New Convertible Notes</b>	<p>The Company will issue New Convertible Notes up to a maximum of \$38.7 million as part of the Capital Raising. The purpose of the convertible note issue is to use the proceeds to extinguish all current debt obligations of the Group owing as at 28 November 2018 and to provide the Group with sufficient working capital to undertake its business plan.</p> <p>Pursuant to the terms of the New Convertible Notes, the new convertible notes will automatically convert following Shareholder approval at 1 cent per Share.</p>	Section 3.7(g), 3.8 and 11.3																				
<b>What is the risk if the Debt Repayment doesn't occur?</b>	If Shareholder approval is not obtained and the Debt Repayment does not occur, the Secured Hawke's Point Debt, Existing Convertible Notes and New Convertible Notes will be repayable. If an alternative recapitalisation proposal cannot be agreed with the Secured Creditors, the Company will likely go into liquidation.	Section 2.3																				
<b>G. Use of funds from Capital Raising and Offers</b>																						
<b>What is the proposed use of funds raised pursuant to the Capital Raising?</b>	<p>The funds raised pursuant to the Capital Raising and the Offers will be used by the Company to:</p> <ul style="list-style-type: none"> <li>• repay amounts owing to Creditors in accordance with the terms of the DOCA;</li> <li>• meet the administration costs of the Company and the expenses of the Recapitalisation;</li> <li>• undertake resource and reserve definition, process plant and feasibility study work and regional exploration; and</li> <li>• for general working capital purposes.</li> </ul>	Section 4.1																				
<b>H. Effect of the Recapitalisation and Offers on the Company</b>																						
<b>What is the effect of the Offers and the Recapitalisation on the capital structure of the Company?</b>	<p>On the basis that the Company obtains all relevant Shareholder approvals to be sought at the General Meeting, the Company's capital structure will be as follows after the Recapitalisation and Offers:</p> <table border="1"> <thead> <tr> <th></th> <th>Prior to Recapitalisation</th> <th>Post Recapitalisation Minimum \$30 million</th> <th>Post Recapitalisation Midpoint \$35 million</th> <th>Post Recapitalisation Maximum \$40 million</th> </tr> </thead> <tbody> <tr> <td>Shares</td> <td>761,784,750</td> <td>7,295,044,504 (pre consolidation) 486,336,300 (post consolidation)</td> <td>7,800,523,955 (pre consolidation) 520,034,930 (post consolidation)</td> <td>8,306,003,408 (pre consolidation) 553,733,561 (post consolidation)</td> </tr> <tr> <td>Options</td> <td>211,663,376</td> <td>497,738,376 (pre consolidation) 33,182,558 (post consolidation)</td> <td>522,738,376 (pre consolidation) 34,849,225 (post consolidation)</td> <td>547,738,376 (pre consolidation) 36,515,892 (post consolidation)</td> </tr> <tr> <td>Convertible Notes</td> <td>87,500</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>		Prior to Recapitalisation	Post Recapitalisation Minimum \$30 million	Post Recapitalisation Midpoint \$35 million	Post Recapitalisation Maximum \$40 million	Shares	761,784,750	7,295,044,504 (pre consolidation) 486,336,300 (post consolidation)	7,800,523,955 (pre consolidation) 520,034,930 (post consolidation)	8,306,003,408 (pre consolidation) 553,733,561 (post consolidation)	Options	211,663,376	497,738,376 (pre consolidation) 33,182,558 (post consolidation)	522,738,376 (pre consolidation) 34,849,225 (post consolidation)	547,738,376 (pre consolidation) 36,515,892 (post consolidation)	Convertible Notes	87,500	Nil	Nil	Nil	Sections 4.2
	Prior to Recapitalisation	Post Recapitalisation Minimum \$30 million	Post Recapitalisation Midpoint \$35 million	Post Recapitalisation Maximum \$40 million																		
Shares	761,784,750	7,295,044,504 (pre consolidation) 486,336,300 (post consolidation)	7,800,523,955 (pre consolidation) 520,034,930 (post consolidation)	8,306,003,408 (pre consolidation) 553,733,561 (post consolidation)																		
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Convertible Notes	87,500	Nil	Nil	Nil																		
<b>Who are the substantial Shareholders?</b>	<p>At the date of this Prospectus, entities associated with Hawke's Point currently hold approximately 12.06% of the Company's issued share capital.</p> <p>At the date of this Prospectus, entities associated with Investmet Limited currently hold approximately 30.49% of the Company's issued share capital.</p>	Section 2.8																				

Topic	Summary	Further Information
<b>What is the effect of the Recapitalisation on control of the Company?</b>	<p>If all of the share issuances referred to in the Notice of Meeting are approved and the Shares are issued, Hawke's Point and its associates will have a shareholding of up to approximately 42.85% on completion of the Recapitalisation (based on a capital raising amount of \$30 million).</p> <p>If all of the share issuances referred to in the Notice of Meeting are approved and the Shares are issued, and Investmet and its associated entities take up their Entitlement, the holding of Investmet and its associates will be approximately 6% on completion of the Recapitalisation (based on a capital raising amount of \$30 million).</p> <p>If all of the share issuances referred to in the Notice of Meeting are approved and the Shares are issued, and Investmet and its associated entities do not take up their Entitlement, the holding of Investmet and its associates will be approximately 3% on completion of the Recapitalisation (based on a capital raising amount of \$30 million).</p>	Section 4.4
<b>I. Key Risks</b>		
<b>Risk of Shareholder approval not being obtained at the General Meeting</b>	<p>Shares issued under this Prospectus will be entitled to vote at the General Meeting. An important aspect of the recapitalisation is the passing of all Resolutions at the General Meeting.</p> <p>If all Resolutions are not passed at the General Meeting, the Company will need to renegotiate with its Secured Creditors and if unsuccessful the Company may be forced into liquidation.</p>	Section 6.1(a)
<b>Reinstatement to trading on ASX</b>	<p>The Company's Shares are suspended from trading on ASX. The Company is seeking for its Shares to be reinstated to trading on ASX and this Prospectus has partly been prepared for that purpose.</p> <p>The Company will hold a General Meeting in order for Shareholders to consider, vote and approve various resolutions that must be passed for the Recapitalisation to take effect and for the Shares to be reinstated to trading on ASX.</p> <p>The reinstatement of the Shares to trading on ASX is subject to ASX's discretion. There is a risk that ASX will not grant the reinstatement of the Shares to trading on ASX. Therefore, there is a risk that the Shares issued under this Prospectus will not be quoted on ASX.</p>	Section 6.1(b)
<b>What are the key risks of investing in the Company?</b>	<p>Some of the key risks of investing in the Company are detailed below. This list is not exhaustive, and further details of these risks and other risks associated with an investment in the Company are detailed in Section 6.</p> <p>In undertaking its business activities, the Company will be exposed to risks which relate to:</p> <ul style="list-style-type: none"> <li>• Production and plant;</li> <li>• Further capital requirements;</li> <li>• Exploration risk;</li> <li>• Title risk; and</li> <li>• Resource estimates.</li> </ul>	Section 6
<b>J. Directors and Related Party Interests and Arrangements</b>		
<b>Who are the Directors?</b>	<p>The Directors are:</p> <ul style="list-style-type: none"> <li>• Mr Peter Mansell – Non-Executive Chairman;</li> <li>• Mr David Quinlivan – Managing Director;</li> <li>• Mr Keith Jones – Non-Executive Director; and</li> <li>• Mr Mark Wheatley – Non-Executive Director.</li> </ul>	Section 7.1
<b>What interests do the Directors have in the Shares and the Offers?</b>	<p>None of the Directors have a current interest in the Shares or the Offers.</p> <p>Peter Mansell, Keith Jones and David Quinlivan, all Directors of the Company, have agreed to underwrite the Entitlement Offer to varying extents. Refer to sections 3.11 and 12.9 for more details.</p>	Sections 3.11, 7.2 and 12.9

Topic	Summary	Further Information
<b>What benefits are being paid to the Directors?</b>	<p>The non-executive Directors have entered into letters of appointment with the Company.</p> <p>Mr David Quinlivan, managing director, has entered into an executive services agreement with the Company (via Borden Mining Services Limited).</p> <p>Details of the agreements entered into between the Company and the Directors, including remuneration and securities to be issued to Directors, subject to Shareholder approval, are detailed in Sections 7.3 and 11.12</p>	Section 7.3 and 11.12
<b>What contracts and/or arrangements with related parties is the Company a party to?</b>	<p>The Company has entered into an employment agreement and a deed of indemnity, insurance and access with each Director.</p> <p>Peter Mansell, David Quinlivan and Keith Jones have entered into underwriting agreements with the Company to underwrite the Entitlement Offer to varying extents.</p>	Sections 11.12 and 11.14
<b>K. Applications and Other Information</b>		
<b>How can I apply under the Entitlement Offer?</b>	<p>You may apply for Shares offered pursuant to the Entitlement Offer under this Prospectus by completing the Entitlement and Acceptance Form attached to, or accompanying, this Prospectus.</p> <p>To the extent permitted by law, a completed Entitlement and Acceptance Form lodged together with the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Entitlement and Acceptance Form. Eligible Shareholders participating in the Entitlement Offer may also pay via BPAY®. Eligible Shareholders paying via BPAY® do not need to return their Entitlement and Acceptance Form.</p>	Section 5.1(a)
<b>How can I apply under the Shortfall Offer?</b>	<p>You may apply for Shortfall Shares by completing the relevant section of the Entitlement and Acceptance Form.</p> <p>If investors who are not Shareholders wish to apply for Shortfall Shares they should contact the Lead Manager on +61 8 9268 2888 for a Shortfall Application Form and a copy of this Prospectus.</p> <p>To the extent permitted by law, a completed Shortfall Application Form lodged together with the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Shortfall Application Form.</p>	Section 5.2(a)
<b>How can I apply under the Placement Offer?</b>	<p>If Shareholders or investors wish to apply for Placement Shares they should contact the Lead Manager on +61 8 9268 2888 for a Placement Application Form and a copy of this Prospectus.</p>	Section 5.3(a)
<b>Who can apply under the Lead Manager Offer?</b>	<p>Only the Lead Manager (and/or its nominee) can accept the Lead Manager Offer.</p> <p>A Lead Manager Application Form will be issued to the Lead Manager (and/or its nominee) together with a copy of this Prospectus. The Company will only provide the Lead Manager Offer Application Form to the Lead Manager (and/or its nominee).</p>	Section 5.4
<b>Who can apply under the Noteholder Offer?</b>	<p>Only the Secured Creditors (and/or their nominees) can accept the Noteholder Offer.</p> <p>A Noteholder Application Form will be issued to the Secured Creditors (and/or their nominee) together with a copy of this Prospectus. The Company will only provide the Noteholder Application Form to the Secured Creditors (and/or their nominee).</p>	Section 5.5
<b>Will any Shares be subject to escrow?</b>	<p>No. However, the Shares will not be able to be traded on ASX unless and until the Shares are reinstated to trading on ASX.</p>	N/A
<b>Is there any brokerage, commission or stamp duty payable by Applicants?</b>	<p>No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Shares pursuant to the Offers.</p>	Section 5.1(g)

Topic	Summary	Further Information
<b>What are the tax implications of investing in the Company?</b>	The tax consequences of any investment in Shares will depend on your personal circumstances. You should obtain your own tax advice before deciding to invest.	Section 3.18
<b>Can the Offers be withdrawn?</b>	The Directors may at any time decide to withdraw this Prospectus and the Offers in which case the Company will refund all Application Monies in full (without interest) in accordance with the Corporations Act.	Section 3.15
<b>How can I obtain further information?</b>	Further information can be obtained by reading this Prospectus and consulting your professional advisers.  Questions relating to the Offers can be directed to our Share Registry on 1300 850 505 (within Australia) or + 61 3 9415 5000 (outside Australia).	Section 3.20

## 2. Company Overview and Recapitalisation

### 2.1 The Company

The Company was incorporated on 26 March 2002, admitted to the Official List on 29 October 2002 and is a gold focused minerals exploration company.

The Company is the owner of the Davyhurst Gold Project (**Davyhurst Project**) in the highly prospective Tier 1 gold mining province of Eastern Goldfields in Western Australia.

The Davyhurst Project is located 120 km north-west of Kalgoorlie and hosts many highly prospective gold deposits; and total Mineral Resources comprising 21Mt @ 2.6g/t Au for 1.8 million ounces<sup>3</sup>.

The Company has existing processing infrastructure in place, including a 1.2Mtpa processing plant, two accommodation camps (Davyhurst Central and Mt Ida), extensive haul road network, mains power and working borefields. It has exploration upside from its large tenement position (1,336 km<sup>2</sup>) comprising 200 km of prospective strike length.

### 2.2 Background and Strategy

The Group's historical financial and mining issues led to the suspension of production in early September 2018 and the appointment of voluntary administrators on 29 November 2018.

Since entering administration, the new highly credentialed and experienced Board and Management team have spent the last six months identifying and formulating a detailed plan to fix the historical problems with the Group and its assets. They have developed, in a methodical and disciplined way, a detailed feasibility and exploration program to maximise value for the Company's shareholders.

The Board is confident that, through this robust program, the Company will see the successful conversion of the already identified in-ground resources to a healthy mining reserve, targeting the higher grade portions of the deposits. Historically, insufficient time and expense was devoted to the development of a robust mine plan; and insufficient work was done to convert the resources to mining reserves. Furthermore, improvements to the existing processing plant have been scoped and estimated to cost approximately \$15 million; and extensive work has been successfully completed to secure all material mining titles from a host of plinters.

The Group now has a defined pathway to undertake a Definitive Feasibility Study (**DFS**). The Board expects this to realise the significant value of the Company's assets. In addition, the Board expects to unlock further value from an extensive and systematic exploration program across the Group's highly prospective and large under-explored landholding. This landholding has not been meaningfully explored for many years and includes a number of exciting prospects for discovery.

Key stakeholders, comprising the new Board, shareholders, and creditors, including Hawke's Point, have collaborated to revitalise the Group, and facilitate a clean start under the deed of company arrangement executed on 12 February 2019 (**DOCA**). The DOCA will extinguish all of the Group's substantial pre-administration claims and debts. The material terms of the DOCA are detailed in section 11.1.

The DOCA mandated a recapitalisation of the Company via a capital raising of a minimum of \$22 million and the extinguishment of all pre-administration debt of the Group (**Recapitalisation**). The Directors agree that a capital raising of no less than \$30 million is required to undertake its business plan and repay the \$11.9 million to be paid to creditors under the DOCA.

Critically, following the Recapitalisation and repayment of debts, the Group will be well-funded and debt free for the first time in many years, with working capital of at least \$15.2 million.

### 2.3 Recapitalisation

#### *Capital Raising*

Under the Recapitalisation, the Company is undertaking a capital raising to raise no less than \$30 million and up to \$40 million (**Capital Raising**) which will be completed prior to the Company's Shares being reinstated to trading on ASX. The Capital Raising comprises:

- (a) a 1 for 1 non-renounceable entitlement offer priced at 1 cent per share to raise up to approximately \$7.6 million, which is available to existing Eligible Shareholders (**Entitlement Offer**);
- (b) an offer of shares not subscribed for under the Entitlement Offer, which is available to existing Shareholders and new investors (**Shortfall Offer**);

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<sup>3</sup> Refer to ASX announcement dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13/02/2013, for classified Mineral Resources reported in accordance with the JORC Code

- (c) an offering of convertible notes (**New Convertible Notes**) raising up to \$38.7 million, available to sophisticated and professional investors (the amount to be reduced to the extent that existing Eligible Shareholders take up their entitlements under the Entitlement Offer and Shortfall Offer and new investors to subscribe for Shares under the Shortfall Offer and Placement Offer); and
- (d) an offer of shares priced at 1 cent per share to raise up to \$4 million, with the shares to be issued following receipt of Shareholder approval (**Placement Offer**).

The Company has appointed Hartleys as lead manager of the Capital Raising to assist with the provision of corporate advice and capital raising services to ensure that the Company meets its capital requirements.

#### Debt Extinguishment

At completion of the DOCA, the following parties will have the following claims against the Company:

- (a) principal and interest pursuant to a syndicated facilities agreement which was assigned to Hawke's Point, being approximately \$11.4 million up to the date of the General Meeting (**Secured Hawke's Point Debt**).
- (b) principal and interest on convertible notes issued to Hawke's Point, Perennial, Donald Smith and Wyllie Group on 27 September 2018 and 28 September 2018, which at the date of the General Meeting will be approximately \$9.3 million (**Secured Creditors**) (**Existing Convertible Notes**);
- (c) the amount owed to trade creditors with whom the Company seeks to have an ongoing relationship (**Supporting Creditors**) and to whom offers of securities can be made without disclosure under Chapter 6 of the Corporations Act, being approximately \$34.8 million (**Supporting Creditors Debt**);
- (d) principal and interest on the New Convertible Notes; and
- (e) other amounts to unsecured creditors who will be paid out of a trust established under a trust deed consisting of amount \$7.3 million (**Creditors Trust**).

Following Shareholder approval (to be sought at the General Meeting), the Existing Convertible Notes, Secured Hawke's Point Debt and Supporting Creditors Debt will be satisfied by the issuance of Shares at 1 cent per Share and the New Convertible Notes will be converted to Shares at 1 cent per Share (**Debt Repayment**). If the Debt Repayment does not occur, the Company may be placed into liquidation.

At completion of this debt extinguishment process, the Group will have cash of at least \$15.2 million and be debt free (other than a non-material amount in respect of any trade creditors incurred following completion of the DOCA).

#### *Timing and Reinstatement*

The Capital Raising will commence with the offer of New Shares pursuant to the Entitlement Offer and Shortfall Offer to Eligible Shareholders and a Shortfall Offer and Placement Offer to new investors. Contemporaneously with these Offers, the Lead Manager will undertake a bookbuild for the offering of New Convertible Notes to professional and sophisticated investors.

At the date of this Prospectus, all of the conditions precedents to effectuation of the DOCA have been satisfied other than:

- (a) the completion of a capital raising; and
- (b) the Deed Administrators and the Board being satisfied that Shareholder approval for the Debt Repayment will be obtained either at the General Meeting, or within a reasonable timeframe thereafter,  
(the **Conditions Precedent**).

On close of the Entitlement Offer and prior to issuing New Shares under the Entitlement Offer and Shortfall Offer, the Board and the Deed Administrators will determine, based on the results of the Capital Raising, whether the Conditions Precedent have been satisfied.

If the Conditions Precedent above are satisfied:

- (a) control of the Group will be transferred from the Deed Administrators to the Directors following completion of the steps described above;
- (b) the Company will issue the Shares pursuant to the Entitlement Offer and Shortfall Offer, with the proceeds from the Entitlement Offer, Shortfall Offer and New Convertible Notes then released from trust and applied in accordance with the DOCA;
- (c) the sum of \$7.3 million will be paid to a Creditors' Trust in full satisfaction of unsecured creditor claims in accordance with the terms of the DOCA;

- (d) the sum of \$4.6 million will be paid to the supporting creditors in full satisfaction of 60% of those creditors' compromised claims (i.e. 22 cents per dollar);
- (e) the Deed Administrators will be paid their remuneration, costs, fees and expenses in accordance with the DOCA from the Creditors' Trust;
- (f) the balance of the amounts owed to the Supporting Creditors and the full amount owed to Hawke's Point and the other holders of the Existing Convertible Notes and the holders of the New Convertible Notes in respect of those creditors' claims will remain outstanding (until the Debt Repayment is approved by Shareholders and takes effect).

The funds that are to be received in respect of the issue of Placement Shares will be held on trust by the Company until Shareholder approval to issue of the Placement Shares is received (which is to be sought at the General Meeting).

The General Meeting for Shareholders to consider, vote and approve the various components of the Recapitalisation, including, but not limited to the acquisition by Hawke's Point and its associates of a relevant interest in and voting power of up to approximately 42.85% of the Shares as a result of the Company issuing securities to satisfy claims and covert outstanding debts. The Company currently intends to hold its AGM for the year ended 30 June 2018 on the same date as the General Meeting.

If Shareholders approve all of the resolutions put forward at the General Meeting, the Company will issue the Placement Shares and issue all of the Shares in connection with the Debt Repayment.

If Shareholders approve some (but not all) of the resolutions to issue the securities detailed in Resolutions 1 to 13 and Resolution 27 of the Notice of Meeting, the Company will need to renegotiate with its Secured Creditors and if unsuccessful the Company may be forced into liquidation.

**It is important for Shareholders who subscribe for Shares under the Capital Raising to vote at the General Meeting. Even if Shareholders do not take up their Entitlement, your vote at the General Meeting is important and required to complete the Recapitalisation and you should read the Notice of Meeting carefully and in its entirety.**

On issue of the Placement Shares and the Shares issued to complete the Debt Repayment, the Company will undertake a consolidation of the existing issued capital of the Company on a 1 for 15 basis (**Consolidation**) if approved by Shareholders at the General Meeting.

Following completion of the steps outlined above, the Company will also be required to satisfy certain ASX imposed conditions before the suspension of trading in Shares will be removed by ASX.

## 2.4 Project Overview

The Davyhurst Project is an advanced gold development project located approximately 120 kilometres northwest of Kalgoorlie. The Davyhurst Project comprises the Mt Ida, Riverina, Davyhurst, Siberia and Lady Ida project areas that contain Mineral Resources reported in accordance with the JORC Code of 2.1Mt @ 2.6g/t Au for 1.8 million ounces<sup>4</sup>. The project area covers 200 strike kilometres of highly prospective greenstone belt comprising 112 tenements and covering 1,336 km<sup>2</sup> of ground. Most recent project activities have included both open pit and underground mining, ore processing, resource development and some exploration activity.

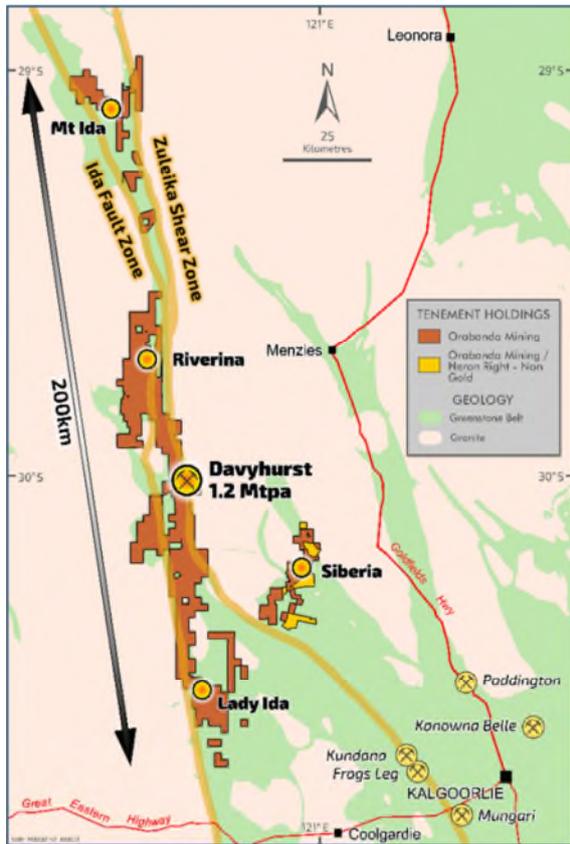
The Mt Ida Project, is located 227 kilometres north-west of Kalgoorlie and 126km north of Davyhurst, connected via gravel roads. The Project includes a high grade mineral resource base, which is part of the total Davyhurst Mineral Resource above, of 318,000 tonnes at 13.8g/t Au for 141,000 ounces<sup>5</sup>, along with several highly ranked exploration opportunities. Mt Ida has its own standalone camp facilities which can be utilised as an exploration base.

The Group does not currently intend to develop the Mt Ida Project and none of the proceeds of the Capital Raising will be used for its development.

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<sup>4</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

<sup>5</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code



Riverina (205koz)
Waihi (71koz)
Siberia (498koz)
Callion (14koz)
Golden Eagle (54koz)

Figure 1: Project Location Plan

#### Resource Definition Drilling Programs

The revised business plan for the Davyhurst Project (post Recapitalisation) is centred around a focussed development program targeting the top five ranked advanced projects, being Riverina, Waihi, Siberia, Callion and Eagle deposits. The clear objective of the planned drilling programs is to upgrade the mineral resource, which in turn leads to reserve conversions.

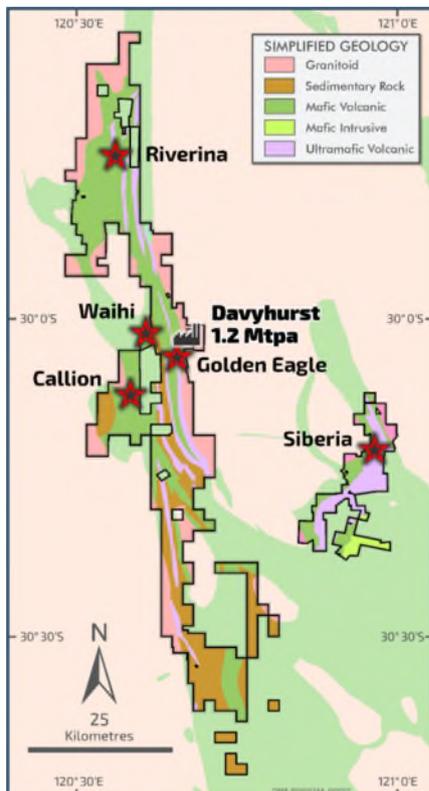


Figure 2: Project Location Plan - key advanced projects

Together, these five deposits currently boast a combined mineral resource of 9.2Mt @ 2.8g/t Au for 840,000 ounces<sup>6</sup>. Commencing immediately, resource definition drilling programs totalling 30,800 drill metres (with a minimum of 15,400 drill metres if only \$30 million is raised under the Capital Raising) will be undertaken across these projects. If the Company receives proceeds in excess of \$35 million, the additional funds would be used to accelerate drilling at the high grade Waihi and Callion deposits, along with progressing other highly ranked exploration opportunities.

These programs intend to expand and upgrade the mineral resource base for the Davyhurst Project. Mining evaluation studies will follow the drilling programs targeting an upgrade and expansion of the current 2.0Mt @ 2.3g/t Au for 150,000 ounce Ore Reserve.<sup>7</sup>

Deposit	Target	Distance to Plant	Current JORC Resource <sup>8</sup>	Proposed Drill Metres	Proposed Drill Cost (\$'000)	Proposed Study Cost (\$'000)	Total Budget (\$'000)
Riverina	Open pit (OP)	48km	2.6Mt @ 2.5g/t for 205koz	13,800m	2,874	601	3,475
*Waihi	OP & Underground (UG)	3km	914Kt @ 2.4g/t for 71koz	12,700m	2,645	553	3,198
*Callion	OP & UG	14km	169Kt @ 2.6g/t for 14koz	4,300m	896	187	1,083
Siberia	OP	37km	4.8Mt @ 3.2g/t for 498koz	Nil	Nil	100	100
Golden Eagle	UG	2km	656Kt @ 2.5g/t for 54koz	Nil	Nil	180	180
<b>TOTAL</b>			<b>9.2Mt @ 2.8g/t for 840koz</b>	<b>30,800m</b>	<b>6,415</b>	<b>1,621</b>	<b>8,036</b>

Table 1: Planned drilling under \$35 million Capital Raising

Notes:

- 1 If the Company only receives \$30 million, a minimum of 15,400 drill metres will be drilled with no drilling expenditure on Callion. If Callion is excluded from the development plan, the direct drilling, study and geological costs would reduce by \$2.7 million and the Company would also save on indirect costs including camp catering, flights and other labour costs.
- 2 If the Company receives proceeds in excess of \$35 million, the additional funds would be used to accelerate drilling at the high grade Waihi and Callion deposits, along with progressing other highly ranked exploration opportunities.

#### Definitive Feasibility Study (DFS)

Concurrently with the planned resource and reserve definition drilling programs, multidiscipline studies will be undertaken at the five advanced projects to:

- (a) facilitate any statutory environmental, ethnographic and archaeological heritage approvals necessary to enable re-commencement of mining and processing operations; and
- (b) provide other technical inputs (including hydrological studies, geotechnical assessment of potential mining areas, metallurgical bench testing of ore from all planned sources to determine optimum process plant settings to maximize gold recovery and plant engineering and refurbishment requirements) necessary to enable a DFS to be completed.

<sup>6</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

<sup>7</sup> Refer to ASX announcements dated 15 December 2016 & 14 February 2017

<sup>8</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

Completion of a DFS targeting an initial multi-year mining investment case for the Davyhurst Project is scheduled for the second half of 2020. It is envisioned that at the point of delivery, each deposit will be fully permitted and mine ready.

#### *Regional Exploration Program*

Additional regional exploration activities are designed to run in conjunction with the aforementioned resource development works. Numerous high priority exploration opportunities, ranging from untested geochemical anomalies through to well defined but poorly tested advanced prospect scale gold mineralisation, are located within the Company's land holdings at Davyhurst. It is the Company's intention to work on all aspects of the project pipeline, from grass roots through to brown fields, thereby ensuring the optimum exploration projects are promoted into future development programs.

#### *Infrastructure*

The Davyhurst Project is well-endowed with substantial mining infrastructure including:

- (a) 1.2 Mtpa Carbon In Pulp (CIP) gold processing plant;
- (b) Process water supply - via extensive fully developed bore field;
- (c) Administration and workshop buildings;
- (d) 160 man camp;
- (e) Mains power supply to camp, bore field and plant reserve power to be supplied by a power generating contractor; and
- (f) An expansive surface haulage road network.

The Davyhurst processing plant is a conventional 1.2 Mtpa CIP gold processing plant. Refurbishment and plant upgrades costing \$34.5 million commenced in September 2016, entering a commissioning stage by June 2017.

The refurbishment and upgrade scope included:

- (a) Refurbishment and repair of concrete and steel structures including a feed bin upgrade;
- (b) Installation of two new cone crushers (secondary and tertiary) and a new triple deck screen in the 3 stage crushing circuit;
- (c) Overhaul of all conveyors including new belts, guards, motors/gearboxes;
- (d) Installation of a new gravity circuit including two Nelson Concentrators and an Acacia reactor;
- (e) Installation of a new control room including new control systems and data fibre throughout the circuit;
- (f) Refurbishment of the leach and CIP absorption circuits;
- (g) Refurbishment of the elution circuit and gold room;
- (h) Installation of a new tailings thickener; and
- (i) Installation of new oxygen tank facilities.

From July 2017 through to July 2018 the plant processed in excess of 400,000 tonnes of ore, approximately half of which was sourced from low grade stockpiles. The failure of the plant to achieve sustainable nameplate capacity primarily related to operational issues including material handling, high rates of personnel turnover, supply chain and water feed issues. Lesser underlying mechanical issues also contributed to the underperformance, although the failure of the plant to reach a stable state meant that optimisation and de-bottlenecking activities were not undertaken. Processing operations were suspended in August 2018 with the plant shifting to care and maintenance.

In October 2018, the Company sourced an independent estimate for re-start capital equipment and works necessary to bring with the Davyhurst Processing Plant safely back into production from MACA Interquip, a well-regarded and industry leading EPC engineering contractor. The re-start capital estimate of \$15 million (including \$3 million contingency) was undertaken following a site visit by MACA Interquip's engineers and is considered to be at a "Pre-feasibility Study" (+/- 25%) level of confidence.

The plant remains in reasonable condition, although future detailed engineering studies are planned, aimed at identifying and eliminating any mechanical issues that may negatively impact future processing operations.

### Mineral Resources and Ore Reserves Reported in Accordance with the JORC Code

The Davyhurst Project has 23 individual Mineral Resources estimated, and only two of these estimates have been converted to its current Ore Reserves. The project has a total Mineral Resource inventory of 21.0Mt @ 2.6g/t Au for 1.8M ounces<sup>9</sup>. The Sand King and Missouri Mineral Resource estimates have been upgraded and reported in accordance with JORC 2012, while the Company continues to progress the review and upgrade for the remaining estimates which were prepared and first disclosed under the JORC Code 2004. These estimates have not been updated since to comply with the JORC Code 2012, on the basis that the information has not materially changed since they were last reported.

It is the Company's intention to update the estimates which make up the combined Mineral Resource Statement to be entirely reported in accordance with the JORC Code 2012 over the course of the next 12 months. The drilling focus will remain on the five advanced projects (detailed in section 2.5 below) containing high-grade resources of 9.2Mt @ 2.8g/t Au for 840,000 ounces<sup>10</sup>. Ore Reserves at Sand King and Missouri comprise 2.0Mt @ 2.3g/t Au for 150,000 ounces.

MINERAL RESOURCE TABLE									
PROJECT	MEASURED		INDICATED		INFERRED		TOTAL MATERIAL		
	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
DAVYHURST TOTAL	138	3.5	12,441	2.5	8,187	2.4	20,728	2.4	1,641
MOUNT IDA TOTAL	-	-	136	18.6	182	10.2	318	13.8	141
<b>COMBINED TOTAL</b>	<b>138</b>	<b>3.5</b>	<b>12,577</b>	<b>2.7</b>	<b>8,369</b>	<b>2.6</b>	<b>21,046</b>	<b>2.6</b>	<b>1,782</b>

Table 2: Mineral Resource Summary<sup>11</sup>

ORE RESOURCE TABLE					
PROJECT	PROBABLE		TOTAL MATERIAL		
	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
MISSOURI	1,205	2.2	1,205	2.2	85
SAND KING	820	2.5	820	2.5	65
<b>COMBINED TOTAL</b>	<b>2,025</b>	<b>2.3</b>	<b>2,025</b>	<b>2.3</b>	<b>150</b>

Table 3: Ore Reserve Table<sup>12</sup>

<sup>9</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

<sup>10</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code. Note: The above table contains rounding errors

<sup>11</sup> All Resources listed above with the exception of the Missouri and Sand King Resources were prepared and first disclosed under the JORC Code 2004 (refer to ASX release "Swan Gold Prospectus", 13 February 2013). The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The First Hit and Lady Bountiful Resources are no longer held by the Company and as such have been omitted from the above table. The Missouri and Sand King Mineral Resources has been updated and complies with all relevant aspects of the JORC code 2012, and initially released to the market on 15 December 2016 (Missouri) 3 January 2017 (Sand King). The above table contains rounding errors.

<sup>12</sup> Refer to ASX announcements dated 15 December 2016 & 14 February 2017. The above table contains rounding errors.

## 2.5 Resource Definition Drilling Programs

Detailed below are the five key short-term resource development targets where the Company intends to focus drilling activities to successfully convert existing robust resources to reserves and a strong mine plan for the DFS.

### Riverina

The Riverina Project is located approximately 48 km from the Davyhurst Processing Plant, linked by a well-developed haul road. The project area contains Mineral Resources of Indicated 3,515Mt @ 2.1g/t Au, Inferred 2,607Mt @ 2.3g/t Au totalling 6.1Mt @ 2.2g/t Au for 427,000 ounces<sup>13</sup>, as defined at the Riverina, Silver Tongue, Forehand Sunraysia and the Lady Gladys deposits. In addition, Riverina holds a number of advanced exploration opportunities located along strike and beneath existing mineralisation.

The Riverina deposit itself hosts three significant gold lodes, namely the Main, Murchison and Reggie Lode. The broken surface expression of these are mappable over 4.6 kilometres of strike. Within the “main mining area”, with defined dimensions of 1,000m x 800m, these lodes combine for an existing Mineral Resource of 2.6Mt @ 2.5g/t Au for 205,000 ounces<sup>14</sup>.

The Company envisages early open pit development of the Riverina resource, targeting the top 80 to 120 vertical metres of the above stated resource. The work programs will commence with 13,800 metres of resource definition drilling.

In addition to the planned works, previous operators (including the Company) have drilled 775 reverse circulation and diamond holes for 64,600 metres in the immediate resource area. In 2007 and 2008, the Company drilled 2,350 angled reverse circulation grade control holes on a typical 5m x 5m pattern for 37,000 metres. All this information is currently under review by the Company and will be incorporated into the future resource upgrades planned for the Riverina Deposit.

Significant historical underground mining production has occurred at Riverina. The underground potential of Riverina deposit is compelling and this aspect of the project is considered a high priority future exploration and development opportunity.

Considerable scope to grow the resource base exists in the known strike extensions of this deposit, along with known parallel lode systems. Of particular interest is the convergence of all three lodes immediately south of the main mining area. The convergence occurs in an historical exclusion zones that is associated with a co-existing pastoral lease, which has prohibited drill access. The Company intends to negotiate access into this highly prospective area.

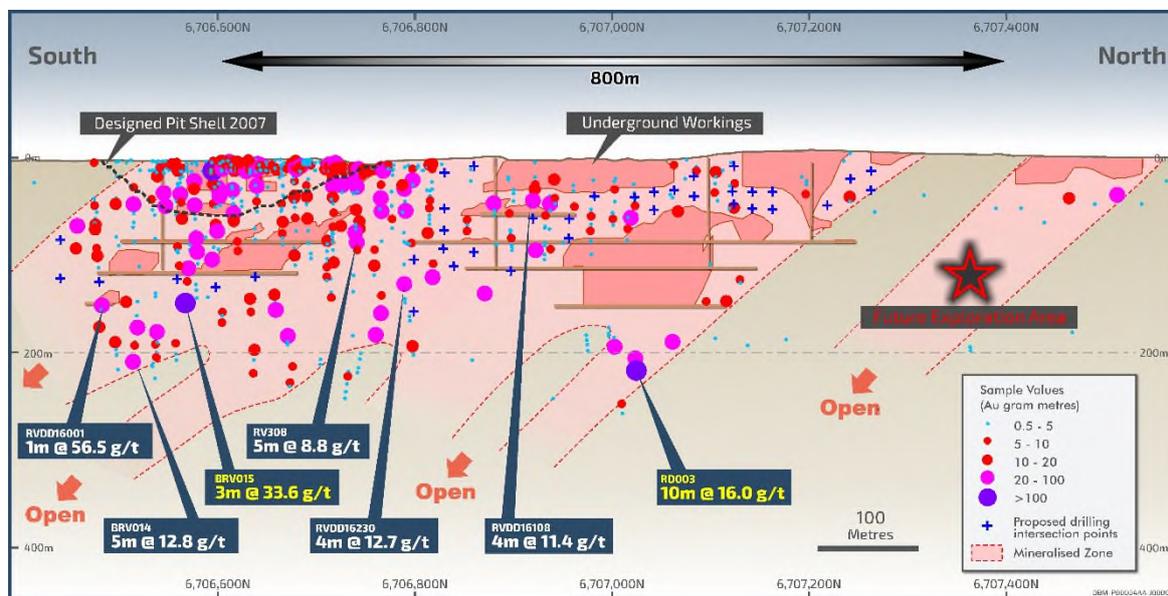


Figure 3: Riverina Main Lode long section looking west

(refer to ASX announcement dated 17 April 2018, and for further drilling details refer to the Company's website; Project Overview [www.easterngoldfields.com.au](http://www.easterngoldfields.com.au))

<sup>13</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

<sup>14</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

## Waihi

The Waihi Complex is potentially an advanced underground mining opportunity, three kilometres from the Davyhurst Processing Plant, hosting three individual lode surfaces, namely the Waihi Main (comprising north, central and south), the Homeward Bound and the historical Golden Pole lode. It is host to a Mineral Resource of 914,000 tonnes @ 2.4g/t Au, for a total of 71,000 ounces<sup>15</sup>.

The Company is proposing a focussed effort on JORC Resource extensions and upgrades with planned drilling totalling 12,700 metres. Reserve definition targets, primarily associated with the Waihi Main line of lode and the Homeward Bound lode, include areas with both open pit and underground potential.

In addition to the planned works, previous operators (including the Company) have drilled 699 reverse circulation and diamond holes for 53,300 metres in the immediate resource area. All this information is currently under review by the Company and will be incorporated into the future resource upgrades planned for the Waihi Deposit.

According to the Mines Department Records (Minedex), the historical Golden Pole mine produced approximately 81,000 tonnes @ 29.0g/t Au for 77,000 ounces (between 1900 and 1939), all extracted via underground mining methods. Currently the down plunge extensions of this mine remain untested at depth, and are hosted within the same controlling structures and geological setting. The Company believes that it is reasonable to assume that the structure will continue to host similar mineralisation at depth, and plans to pursue all underground mining opportunities that lie within the greater Waihi Complex. The Golden Pole was mined to a depth of 190 metres (275mRL) below surface, yet the deepest drill intercept is only 120 metres below surface (345mRL). No estimates that can be reported in accordance with the JORC Code have been defined at Golden Pole as yet, however this project remains a high priority exploration and development opportunity for the Company.

If the Company receives proceeds in excess of \$35 million, the additional funds would be used to accelerate drilling.

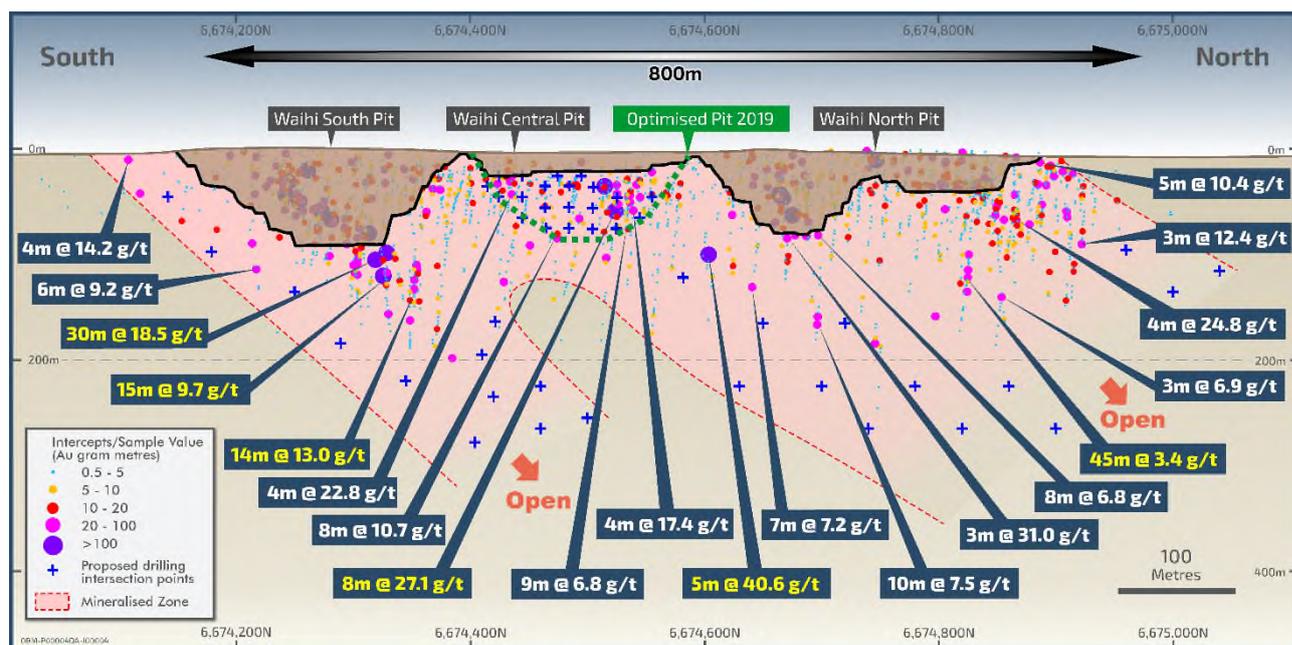


Figure 4: Waihi Main long section looking west

(refer to ASX announcement dated 17 April 2018, and for further drilling details refer to the Company's website; Project Overview [www.easterngoldfields.com.au](http://www.easterngoldfields.com.au))

## Siberia

A historical mining area located 37 km south east of the Davyhurst processing plant. The project hosts JORC Resources over six deposits, namely Sand King, Missouri, Palmerston, Bewick-Moreing, Black Rabbit and Theil Well.

<sup>15</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

The primary focus at Siberia is the Sand King and Missouri deposits which host Indicated 3.7Mt @ 3.1g/t Au, Inferred 1.1Mt @ 3.3g/t Au for a total of 4.8Mt @ 3.2g/t Au for 498,000 ounces<sup>16</sup>. The combined mineralised system displays an ounce profile of between 3,500 to 4,000 ounces per vertical metre. A large resource definition program was undertaken in 2016. The mining potential of the Sand King and Missouri deposits was subsequently quantified in a Probable Open Pit Reserve of 2.0Mt @ 2.3g/t Au for 150,000 ounces<sup>17</sup>. Proposed project works will focus on reassessing mining options, potentially leading to restricted confirmatory drilling programs and Reserve upgrades.

The Siberia deposits host high priority exploration and development opportunities. Near mine development targets have been identified along strike and proximal to known deposits, along with potential depth extensions. Numerous exploration targets occur along the 16 kilometre long prospective corridor that extends south of the Sand King and Missouri deposits.

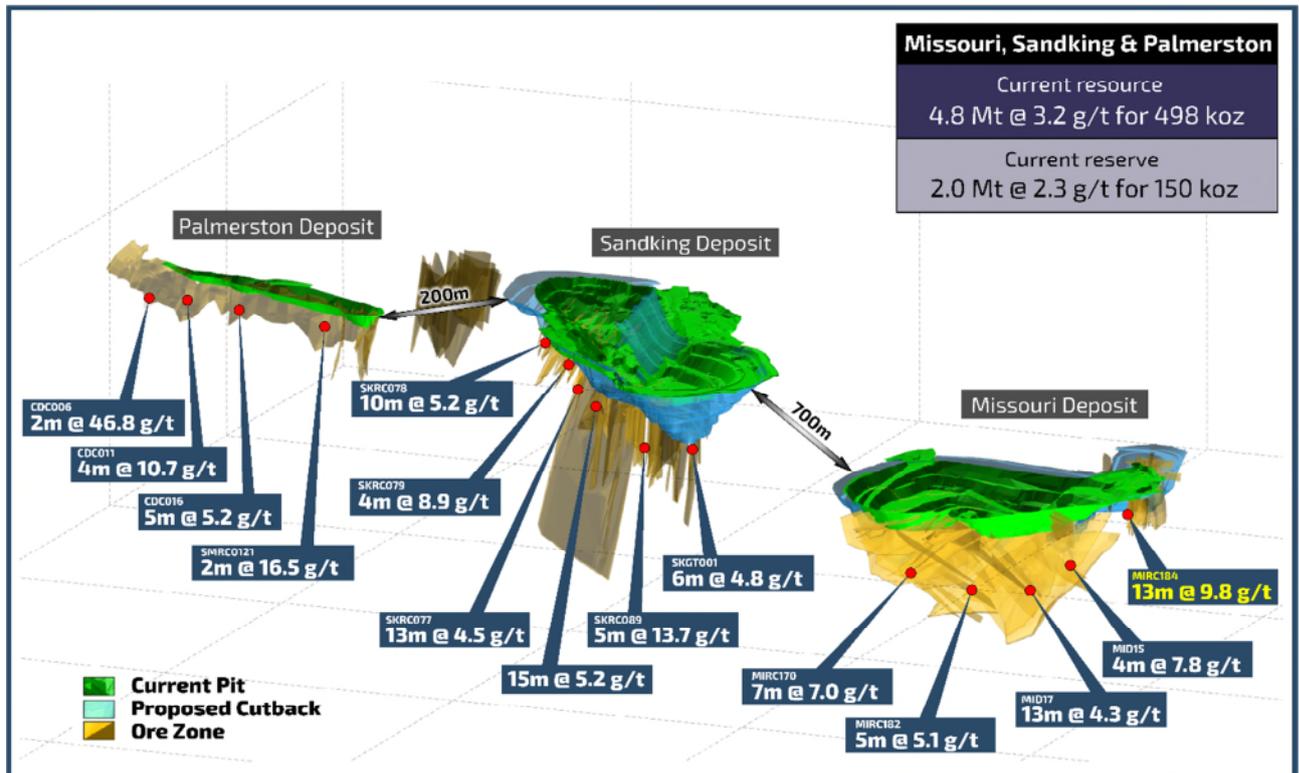


Figure 5: Oblique view looking north of the Sand King, Missouri and Palmerston Deposits

(refer to ASX announcement dated 22 February 2017, and for further drilling details refer to the Company's website; Project Overview [www.easterngoldfields.com.au](http://www.easterngoldfields.com.au))

### Callion

A historical open pit and underground mine located 14km from the Davyhurst Processing Plant, where significant past production has come from both open pit and underground mining sources. The existing Mineral Resource estimate, which examines the near surface open resource only, comprises Indicated 86,000 tonnes @ 2.8 g/t Au and Inferred 83,000 tonnes @ 2.3 g/t Au for a total of 169,000 tonnes @ 2.6g/t Au for 14,000 ounces.

The Company considers the Callion deposit highly prospective for a low tonnage high grade underground mine. It comprises of several sub-parallel quartz vein lodes. The main quartz vein has been traced in outcrop over a strike length of 1.5km.

The Company is proposing a focussed effort on JORC Resource extensions and upgrades with planned drilling totalling 4,300 metres. Reserve definition targets include both open pit and underground potential.

In addition to the planned works, previous operators (including the Company) have drilled 274 reverse circulation and diamond holes for 19,200 metres in the immediate resource area. All this information is currently under review by the Company and will be incorporated into the future resource upgrades planned for the Callion Deposit.

<sup>16</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

<sup>17</sup> Refer to ASX announcements dated 15 December 2016 & 14 February 2017. The above table contains rounding errors.

If the Company receives proceeds in excess of \$35 million, the additional funds would be used to accelerate drilling.

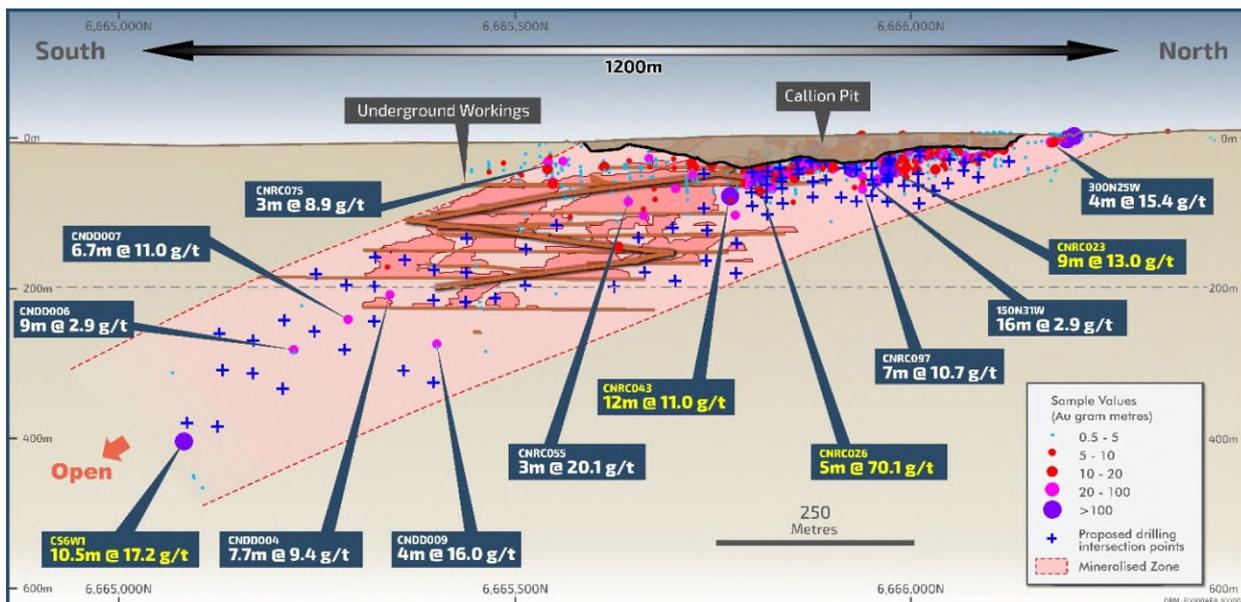


Figure 6: Callion long section looking west

(refer to ASX announcement dated 31 August 2017, and for further drilling details refer to the Company's website; Project Overview [www.easterngoldfields.com.au](http://www.easterngoldfields.com.au))

#### Golden Eagle

A historical open pit mine with established Mineral Resources of Indicated 345,000 tonnes @ 2.5 g/t Au, Inferred 311,000 tonnes @ 2.6 g/t Au for a total of 656,000 tonnes @ 2.5g/t Au for 54,000 ounces. This deposit has been identified as having significant potential for extension at depth. It is located 2.5 kilometres from the Davyhurst Processing Plant. In 2017 underground mining commenced at Golden Eagle with the mine now developed down to 150 vertical metres below the natural surface.

The proposed project works intend to upgrade and quantify a maiden underground Reserve. At a future date, the Company plans to drill out the next 100 metres down plunge to quantify the Central Shoot ounce potential. This drilling will follow up on the deepest hole (GEUGRC028 from the 2018 drilling programme) that returned 6.0m @ 10.3g/t Au.

The abovementioned mine evaluation work will leverage off existing drilling, that includes some previously undertaken by the Company, totalling 350 reverse circulation and diamond holes for 32,400 metres in the immediate resource area. All this information is currently under review by the Company and will be incorporated into the future resource upgrades planned for the Golden Eagle Deposit.

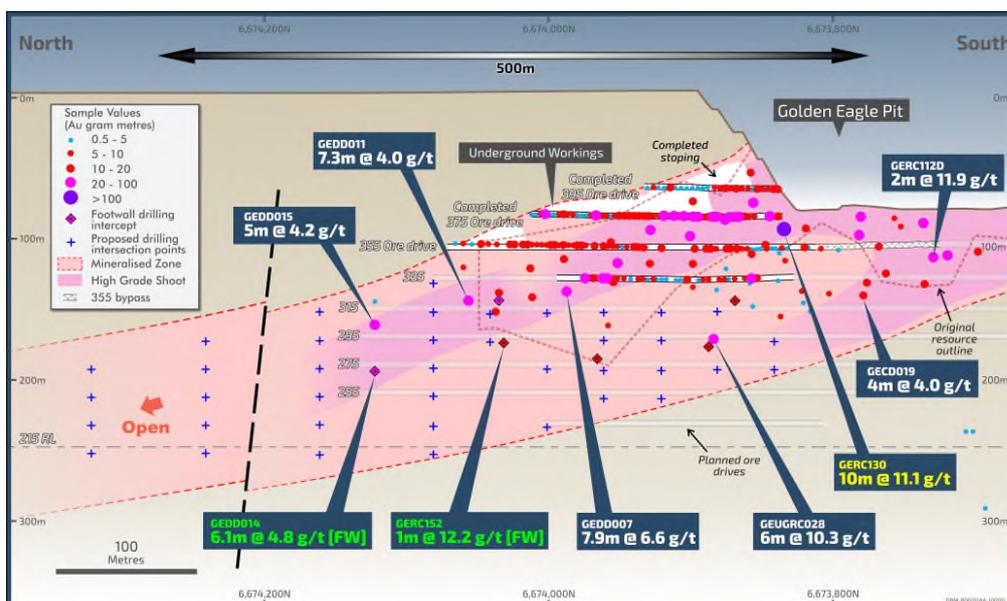


Figure 6: Callion long section looking west (refer to ASX announcement dated 29 May 2018, and for further drilling details refer to the Company's website; Project Overview [www.easterngoldfields.com.au](http://www.easterngoldfields.com.au))

## 2.6 Regional Exploration Program

The Company has a large landholding covering 1,336 km<sup>2</sup> and 200 km of prospective strike. In addition to the projects outlined above, the Company has an extensive exploration project pipeline ranging from grass-roots through to advanced exploration projects with over 40 prospects that are considered highly prospective. Two regionally significant geological structures, namely the Zuleika Shear and the Mt Ida Shear pass through the length of the tenement holding, underpinning the significant prospectivity of the Company's extensive landholding.

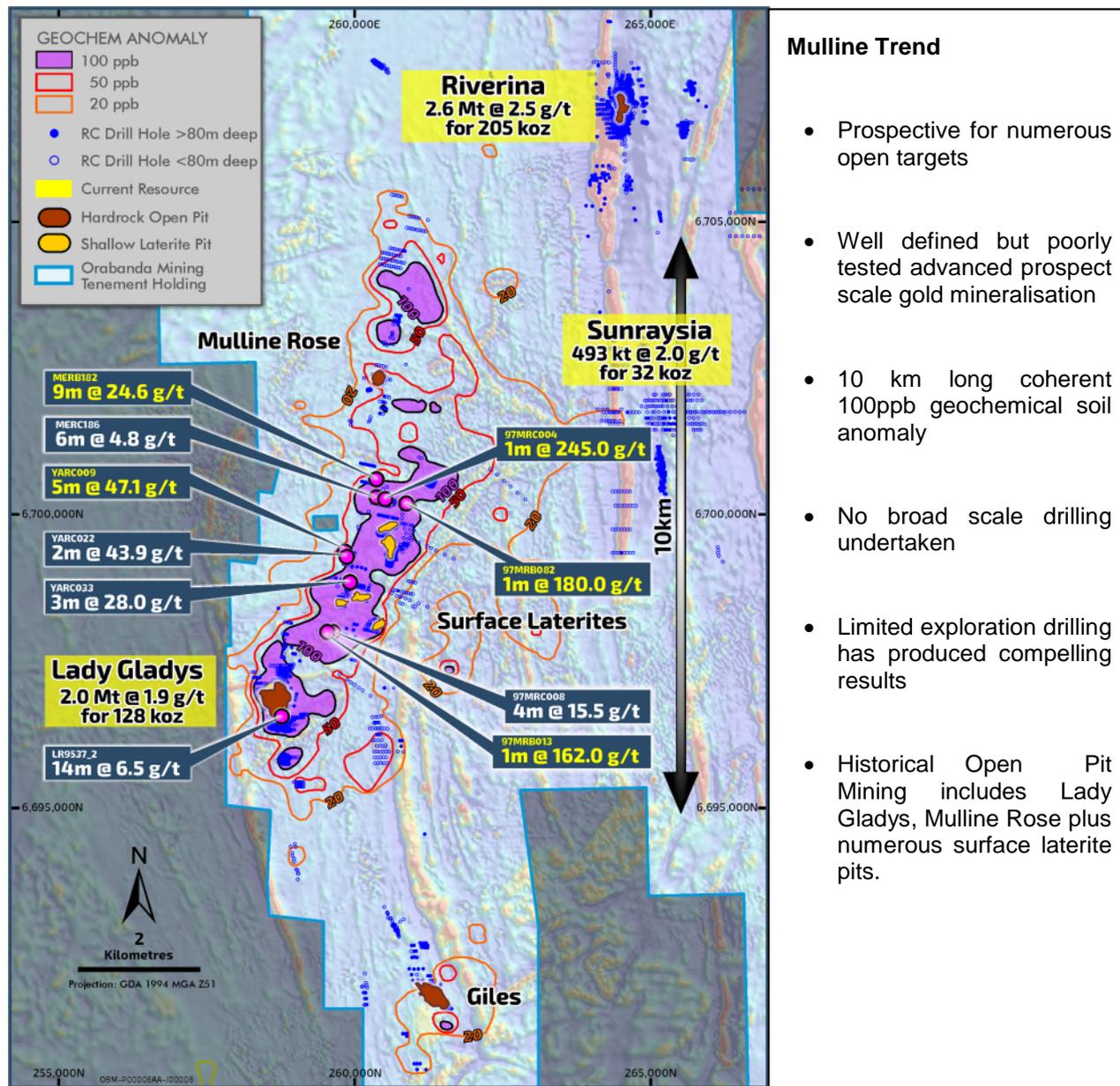
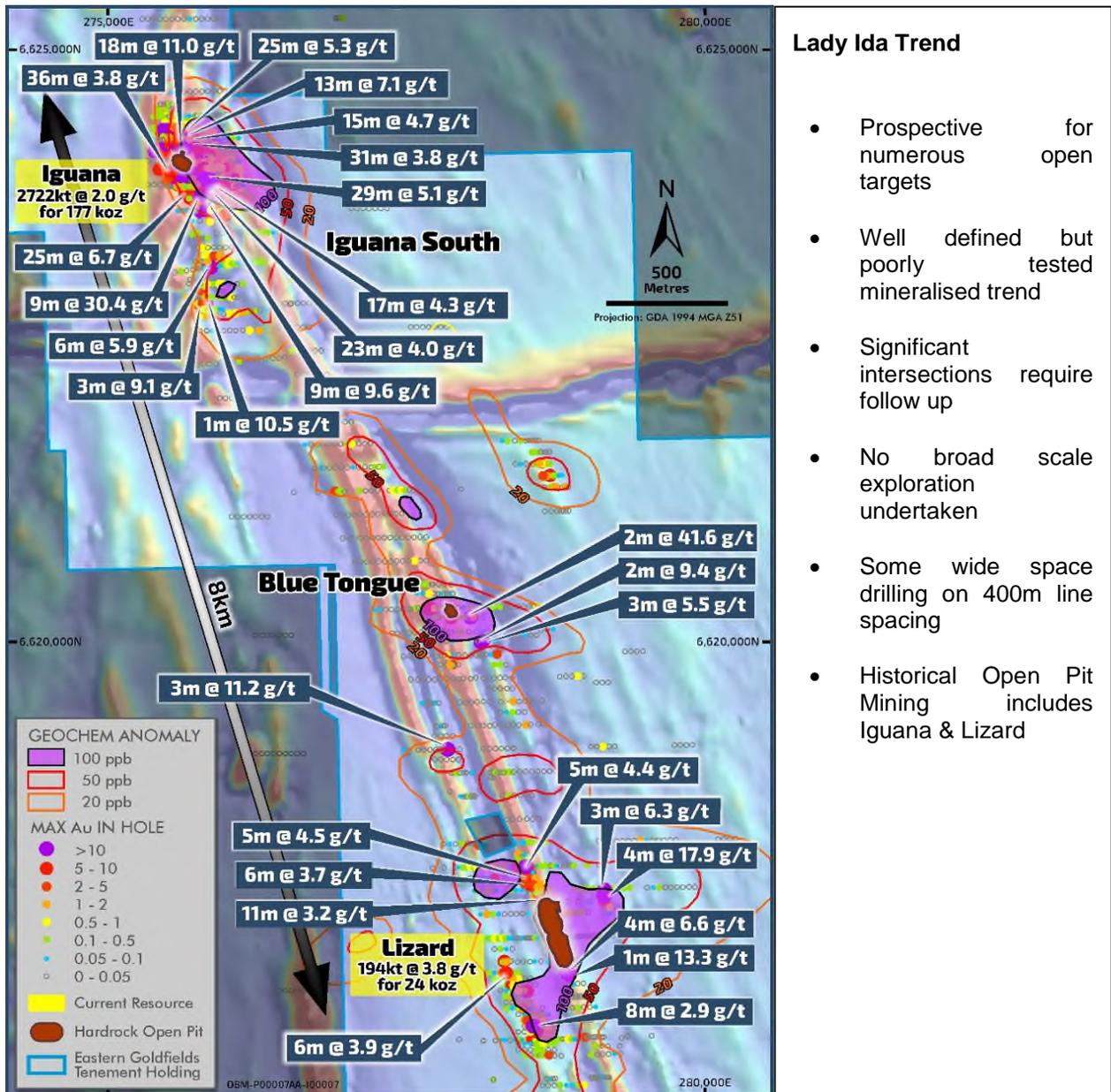


Figure 8: Mulline Trend

(refer to ASX announcement dated 20 February 2017, and for further drilling details refer to the Company's website; Project Overview [www.easterngoldfields.com.au](http://www.easterngoldfields.com.au))



- Lady Ida Trend**
- Prospective for numerous open targets
  - Well defined but poorly tested mineralised trend
  - Significant intersections require follow up
  - No broad scale exploration undertaken
  - Some wide space drilling on 400m line spacing
  - Historical Open Pit Mining includes Iguana & Lizard

Figure 9: Lady Ida Trend

(refer to the Company's website for further drilling details; Project Overview [www.easterngoldfields.com.au](http://www.easterngoldfields.com.au))

(refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code)

The Company has:

- 38 surface samples assaying +1.0g/t with no drilling within 200m;
- 71 surface samples assaying +1.0g/t with no RC or diamond drilling within 200m; and
- 113 RAB samples assaying +1.0g/t with no RC or diamond drilling within 200m.

**2.7 Work Program and Budget**

Under the Capital Raising, the Company is seeking to raise a minimum of \$30 million and a maximum of \$40 million.

*Payments*

From the proceeds of the Capital Raising, the payments set out in the table below will be made in accordance with the terms and conditions of the DOCA and will be paid prior to the commencement of exploration and feasibility study programs.

Payments (excl GST)	Minimum Capital Raising (\$30 million) \$	Midpoint Capital Raising (\$35 million) \$	Maximum Capital Raising (\$40 million) \$
Creditors' Trust Fund	7,300,000	7,300,000	7,300,000
Supporting Creditor Payments	4,597,243	4,597,243	4,597,243
Korda Mentha Fee	680,000	680,000	680,000
Repayment of Hawke's Point Loan to Deed Administrators	650,000	650,000	650,000
Lead Manager fees	1,440,000	1,680,000	1,920,000
Hawke's Point legal fees	120,000	120,000	120,000
<b>Total</b>	<b>14,787,243</b>	<b>15,027,243</b>	<b>15,267,243</b>

*Table 4: Payments*

*Exploration Work Program & Budget*

Funds remaining after settlement of all the payments detailed above will be utilised to:

- (a) expand and upgrade existing resource and reserve estimates;
- (b) target expansion of the resource base along strike from historical mining operations at the Company's key mining project areas (namely Riverina, Waihi, Siberia, Callion and Davyhurst);
- (c) systematically test the many high quality regional exploration targets identified within the Company's extensive tenement package; and
- (d) undertake a DFS.

The Company has undertaken a thorough and careful assessment of all identified gold prospects located within its land tenure package and has ranked each of these prospects in terms of (i) potential size, (ii) probability of achieving the exploration goals sought and (iii) priority towards completion of the DFS.

The Company's exploration strategy following completion of the Recapitalisation is to:

- (a) dispatch all unassayed diamond drill core and other samples generated from pre DOCA exploration programs for assay;
- (b) immediately commence infilling and extensional drilling on priority open pit target areas at Riverina, with a view to rapidly expanding and upgrading the entire gold Mineral Resources of 2.6Mt @ 2.5g/t Au for 205,000 ounces<sup>18</sup> to report in accordance with 2012 JORC Code;
- (c) immediately commence infilling and extensional drilling on priority open pit and underground target areas at Waihi, with a view to rapidly expanding and upgrading the current Mineral Resource estimate of 914,000 tonnes @ 2.4g/t Au for 71,000 ounces<sup>19</sup> to report in accordance with JORC 2012, and to subsequently estimate Ore Reserves;
- (d) undertake infilling and extensional drilling on priority target areas at Callion with a view to expanding and upgrading the gold Mineral Resource estimate of 169 Kt @ 2.6g/t Au for 14,000 ounces<sup>20</sup> to report in accordance with JORC 2012, and to subsequently estimate Ore Reserves;
- (e) undertake a limited targeted verification drilling program on priority areas at Siberia, combined with mine evaluation works that aim to improve and increase the Ore Reserve conversion of the current 2012 JORC gold Mineral Resource estimate of 498,000 ounces<sup>21</sup> at Sand King and Missouri;

<sup>18</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

<sup>19</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

<sup>20</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

<sup>21</sup> Refer to ASX announcements dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus", 13 February 2013, for classified Mineral Resources reported in accordance with the JORC Code

- (f) upgrade the October 2018 re-start cost estimate for the Davyhurst processing plant from its current Pre-feasibility Study (+/- 25%) status to a DFS (+/- 5%) status; and
- (g) systematically advance the status of the Company's many resource pipeline prospects in a structured and disciplined manner.

A high level breakdown of funds to be used for resource and reserve development, exploration, process plant and TSF feasibility studies, site administrative costs and corporate, is detailed below.

Exploration & Resource Development	Minimum Raising (\$30 million) Capital \$	Midpoint Raising (\$35 million) Capital \$	Maximum Raising (\$40 million) Capital \$
Resource & Reserve Development	4,000,000 (27%)	8,000,000 (40%)	12,100,000 (49%)
Exploration (Non Minesite)	4,900,000 (32%)	4,900,000 (25%)	4,900,000 (20%)
Process Plant & TSF Feasibility Studies	600,000 (4%)	600,000 (3%)	600,000 (2%)
Site Administrative Costs (Power, Camp, FIFO)	3,100,000 (20%)	3,400,000 (17%)	3,900,000 (16%)
Corporate	2,600,000 (17%)	3,100,000 (15%)	3,200,000 (13%)
<b>TOTAL</b>	<b>15,200,000 (100%)</b>	<b>20,000,000 (100%)</b>	<b>24,700,000 (100%)</b>

Table 5: Use of funds for Exploration and Resource Development

The above table is a statement of current intentions at the date of the Prospectus. It is important to recognise that although certain parts of the expenditure plan are committed expenditures and work programs, as with any expenditure plan, intervening events and new circumstances have the potential to affect the way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

If more than \$35 million is raised from the Capital Raising, further money will be spent to accelerate resource definition drilling.

If less than \$35 million is raised from the Capital Raising, no resource definition drilling will be spent at Callion.

In order to ensure the Company's extensive (1,336 km<sup>2</sup>) portfolio of tenements is properly maintained and the minimum expenditure commitments for each tenement are met during the initial 18 month period from completion of the Capital Raising, the Company has allocated a total of \$2 million to regional exploration.

The six highest priority regional exploration opportunities together with the estimated exploration spend for each is detailed below.

Exploration Prospect	Drill Type	Cost (\$)	Comment
Gila	Directional Drilling	46,000	Follow up RC assay - 4m @ 9.6g/t
Siberia South	Rotary Air Blast	90,000	Test 7km long auger anomaly
Queen of Hearts	Rotary Air Blast	35,000	Test Nth extension of Gold Lode
Peachtree	Reverse Circulation	48,000	Follow up RAB assay - 8m @ 27.5g/t
Lizard	Reverse Circulation	48,000	Test Nth Extension of Lizard Mine
Python South	Reverse Circulation	48,000	Follow up previous RC program
<b>TOTAL</b>		<b>315,000</b>	

Table 6: Use of funds for regional exploration targets

The above table represents an extract of the exploration expenditure in Table 5. The majority of the remaining cost is related to maintaining the landholding in good standing.

The above table is a statement of current intentions at the date of the Prospectus. It is important to recognise that although certain parts of the expenditure plan are committed expenditures and work programs, as with any expenditure plan, intervening events and new circumstances have the potential to affect the way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

The Lizard exploration prospect is subject to a tenement plaint. The Company does not propose to undertake drilling on the Lizard exploration prospect unless the tenement proceedings have been favourably resolved. If the proceedings are not resolved favourably, the Company proposes to redeploy the exploration expenditure on other prospects.

## **2.8 Substantial Shareholders**

### **(a) Hawke's Point**

At the date of this Prospectus, entities associated with Hawke's Point hold approximately 12.06% of the Company's issued share capital.

If all of the share issuances referred to in the Notice of Meeting are approved and the Shares are issued, Hawke's Point and its associates may have a shareholding of up to approximately 42.85% on completion of the Recapitalisation (depending on the take-up from others under the Capital Raising). Hawke's Point will not acquire a relevant interest, in or voting power of, the Company of greater than 19.99% as a result of taking up its Entitlement under the Entitlement Offer and applying for Shortfall Shares.

Further details of the voting power and intentions of Hawke's Point and contained in the Notice of Meeting and accompanying Independent Expert's Report.

### **(b) Investmet**

At the date of this Prospectus, entities associated with Investmet Limited hold approximately 30.49% of the Company's issued share capital.

If all of the share issuances referred to in the Notice of Meeting are approved and the Shares are issued, and Investmet and its associated entities take up their Entitlement, the holding of Investmet and its associates will be approximately 6% on completion of the Recapitalisation (assuming \$30 million is raised under the Capital Raising).

If all of the share issuances referred to in the Notice of Meeting are approved and the Shares are issued, and Investmet and its associated entities do not take up their Entitlement, the holding of Investmet and its associates will be approximately 3% on completion of the Recapitalisation (assuming \$30 million is raised under the Capital Raising).

## **2.9 Other Opportunities**

The Company may undertake additional work on its Davyhurst and Mt Ida projects in addition to the activities detailed in Sections 2.5 to 2.7.

The Company will utilise the experience of its Directors and their extensive network to identify, pursue and assess other strategic investment opportunities, including potential acquisitions, joint ventures, or investments in the gold sector or other sectors which may generate additional Shareholder value.

## **2.10 Information from the Notice of Meeting and website incorporated by reference**

Detailed below is a summary of the information contained in the Notice of Meeting that is deemed to be incorporated in this Prospectus to assist investors and their professional adviser for the purposes of making an informed investment decision in relation to the Securities offered by this Prospectus.

Potential investors (who are not Eligible Shareholders) and their professional advisers are able to obtain a copy of the Notice of Meeting and Independent Experts Report free of charge by contacting the Company at its registered office during normal business hours until the Placement Offer Closing Date. The Notice of Meeting and Independent Experts Report will also be available on ASX and the Company's website.

In addition to market announcements for mineral resources dated 15 December 2016 & 3 January 2017 and to ASX release "Swan Gold Prospectus" on 13 February 2013, drilling results in relation to the Company's projects are located on the Project Overview section of the Company's website.

### *Notice of Meeting*

The General Meeting will be called to consider various resolutions that must be passed for the Recapitalisation to take effect and for the Company's Shares being reinstated to trading on ASX. The Company is seeking Shareholder approval for the Company:

- (a) approve the acquisition by Hawke's Point and its associates of a relevant interest in and voting power of up to approximately 42.85% of the Shares for the purposes of item 7 of section 611 of the Corporations Act as a result of the Company issuing securities to Hawke's Point (and/or its nominees) in satisfaction of its Existing Convertible Notes and Secured Hawke's Point Debt and the conversion of its New Convertible Notes (**Hawke's Point Share Issue**);
- (b) issue Shares to satisfy the Secured Creditors claims (other than Hawke's Point) in respect of the Existing Convertible Notes in accordance with the DOCA;
- (c) convert the New Convertible Notes (other than those held by Hawke's Point) into Shares in accordance with the New Convertible Notes;
- (d) issue Shares to satisfy all of the remaining Supporting Creditors Debt in accordance with the DOCA;
- (e) issue Shares pursuant to the Placement Offer;
- (f) issue Shares and Options to the Lead Manager;
- (g) issue Options to the Secured Creditors under the New Convertible Notes in lieu of the grant of Options originally contemplated under the terms of the Existing Convertible Notes;
- (h) issue Shares to settle tenement claims;
- (i) adopt of an employee option plan and issue of Options to Directors pursuant to the plan;
- (j) consolidate the Company's share capital;
- (k) change the Company's name to Ora Banda Mining Limited;
- (l) deeds of indemnity, access and insurance for the Directors; and
- (m) carry out the matters contemplated in the Notice of Meeting.

In relation to Shareholder approvals required pursuant to item 7 of section 611 of the Corporations Act, the Notice of Meeting contains information in respect of the potential maximum relevant interest in and voting power of Hawke's Point in the Company as a consequence of the Recapitalisation being completed according to the terms proposed. The potential maximum relevant interest in and voting power of Hawke's Point following completion of the Recapitalisation is up to approximately 42.85% (based on a capital raising amount of \$30 million).

### *Independent Experts Report*

The Company commissioned BDO Corporate Finance (WA) Pty Ltd to provide an independent experts report to express an opinion as to whether or not the issue of shares to Hawke's Point (and/or its nominees) on satisfaction of its Existing Convertible Notes and Secured Hawke's Point Debt and the conversion of its New Convertible Notes is **fair and reasonable** to the non-associated Shareholders of Hawke's Point (**Independent Experts Report**). The Independent Experts Report was received by the Company on 18 April 2019 and accompanies the Notice of Meeting sent to Shareholders to assist them in deciding whether or not to approve the Hawke's Point Share Issue to be put forward at the General Meeting.

BDO considered the advantages and disadvantages of the Hawke's Point Share Issue to Shareholders. BDO concluded that the position of non-associated Shareholders of Hawke's Point if the Hawke's Point Share Issue is completed is more advantageous than if the Hawke's Point Share Issue is not completed. Accordingly BDO concluded that Resolution 1 is **fair and reasonable**.

### 3. Details of the Offers and Secondary Trading

This Prospectus invites investors to apply for Securities under various Offers detailed in Sections 3.1 to 3.5 below.

#### 3.1 Entitlement Offer

The Company is making a pro-rata non-renounceable entitlement offer of one New Share for every one Share held by Eligible Shareholders on the Record Date at an issue price of 1 cent per New Share to raise up to \$7.6 million (before costs) (**Entitlement Offer**).

Under this Prospectus, Eligible Shareholders on the Record Date are eligible to participate in the Entitlement Offer.

The Company has 761,784,750 Shares on issue at the date of this Prospectus. Accordingly, assuming no Options are exercised, 761,784,750 New Shares may be issued under the Entitlement Offer.

The rights attaching to New Shares offered under the Entitlement Offer are detailed in section 12.1.

Where the determination of the Entitlement of any Shareholder results in a fraction of a New Share, such fraction will be rounded up to the nearest whole New Share.

The holders of existing Options will not be entitled to participate in the Entitlement Offer without first exercising their Options.

##### (a) No Entitlements Trading

The Entitlement Offer is non-renounceable. This means that your Entitlement to subscribe for New Shares under this Prospectus is not transferable and there will be no trading of Entitlements on the ASX. If you choose not to take up your Entitlement, you will receive no benefit and your shareholding in the Company will be diluted as a result.

##### (b) Opening and Closing Dates

The Company will accept Entitlement and Acceptance Forms from the Entitlement Offer Opening Date until the Entitlement Offer Closing Date, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

The Directors may at any time decide to withdraw this Prospectus or the Entitlement Offer, in which case the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

##### (c) Timetable to Entitlement Offer

Event	Date
Lodgement of Prospectus with ASIC	30 April 2019
Announce Prospectus to ASX	30 April 2019
Company sends letters to Option holders	30 April 2019
Company sends letters to Eligible Shareholders and Ineligible Shareholders	1 May 2019
"Ex" Date	2 May 2019
Record Date (at 5:00pm WST)	3 May 2019
Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders	6 May 2019
Entitlement Offer Opening Date	6 May 2019
Last day to extend the Entitlement Offer Closing Date	10 May 2019
Entitlement Offer Closing Date (at 5:00pm WST)	15 May 2019
Securities quoted on a deferred settlement basis	16 May 2019
Shortfall Notification Date	20 May 2019
Issue of New Shares and Deferred Settlement Trading Ends	27 May 2019
Anticipated date for despatch of holding statements for New Shares	28 May 2019

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates without prior notice. The Directors reserve the right not to proceed with the whole or part of the Offers at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest in accordance with the Corporations Act.

(d) Director's Underwriting

**Three of the Directors have entered into separate underwriting agreements to partially underwrite the Entitlement Offer up to the amount detailed in the following table:**

Director	Underwritten Amount
Mr Peter Mansell	\$250,000
Mr Keith Jones	\$100,000
Mr David Quinlivan	\$100,000

*Table 7: Directors Underwriting*

Refer to Section 3.11 for further details on the Director's underwriting.

(e) Hawke's Point Commitment

In addition to satisfying Hawke's Point's claims in respect of the Secured Hawke's Point Debt, the Company has agreed to allocate and Hawke's Point has committed to subscribe for such number of Shares and New Convertible Notes as will equal 25% of the total quantum of the Capital Raising up to a maximum of \$10 million.

The New Convertible Notes issued to the Secured Creditors will fall under the Company's existing security arrangements. ASX has granted a waiver from Listing Rule 10.1 on conditions which include that the existing security documents are amended to satisfy the conditions of the waiver (see Section 11.9). Hawke's Point has agreed to procure that the terms and conditions of the Security Trust Deed are amended subject to and with effect from completion of the Hawke's Point New Convertible Note Deed to include the conditions required by the ASX Waiver.

Hawke's Point has the right but not the obligation to increase its participation in the Capital Raising above 25% up to a maximum of \$10 million.

If a greater level of participation from Hawke's Point is required in order to reach the minimum capital raising amount of \$30 million, Hawke's Point has indicated it will consider increasing its participation at the request of the Company (but without any obligation to do so) as necessary to reach the minimum capital raising, up to a maximum participation of \$15 million.

Hawke's Point will only be issued securities under the Entitlement Offer and Shortfall Offer to the extent that its voting power does not exceed 19.99%, with the balance of its commitment being issued in New Convertible Notes.

(f) Ineligible Shareholders

The Entitlement Offer is not being extended to Shareholders with a registered address outside Australia, New Zealand, Hong Kong, Singapore, United Kingdom and Canada (**Ineligible Shareholders**). The Company is of the view that it is unreasonable to make the Entitlement Offer to Shareholders outside Australia, New Zealand, Hong Kong, Singapore, United Kingdom and Canada having regard to:

- (i) the number of those Shareholders;
- (ii) the number and value of New Shares to be offered to those persons; and
- (iii) the cost of complying with overseas legal requirements.

This Prospectus and accompanying Application Forms do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such offers.

Shareholders resident in Australia, New Zealand, Hong Kong, Singapore, United Kingdom and Canada holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

(g) Application Monies held on trust

Pending the issue of the New Shares under the Entitlement Offer, or refund of Application Monies, pursuant to this Prospectus, all Application Monies in respect of the Entitlement Offer will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies. The Application Monies will then be released to the Company and applied in accordance with the DOCA.

The Company will be entitled to retain all interest that accrues on the Application Monies and each Applicant waives the right to claim any part of such interest.

### 3.2 Shortfall Offer

Any New Shares under the Entitlement Offer that are not applied for will form the Shortfall Shares. The offer to issue Shortfall Shares is a separate offer under this Prospectus (**Shortfall Offer**).

Under this Prospectus, the Company offers to issue the Shortfall Shares to investors at the same price of 1 cent per New Share as that offered under the Entitlement Offer. The Shortfall Shares will have the same rights as the New Shares as detailed in Section 12.1.

#### (a) Eligibility

Eligible Shareholders and other investors may apply for Shortfall Shares under the Shortfall Offer. Refer to Section 3.2(b) below.

#### (b) Applications

Eligible Shareholders may apply for Shortfall Shares by completing the relevant section of their Entitlement and Acceptance Form (refer to Section 5.1(c) for further details) or by BPAY®. Other investors may also apply for Shortfall Shares.

If investors who are not Eligible Shareholders wish to apply for Shortfall Shares they should contact the Lead Manager on +61 8 9268 2888 for a Shortfall Application Form and a copy of this Prospectus.

There is no limit to the amount of New Shares you may subscribe for under the Shortfall Offer. However, the Shortfall Shares will only be issued to the extent that such issue is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company exceeding 19.99%, or as permitted by one of the limited exceptions.

Hawke's Point has agreed to take up such number of Shortfall Shares that results in its voting power following the take up of its Entitlement and the Shortfall Shares being 19.99%.

#### (c) Allocation Policy

Shortfall Shares may be allocated to any Eligible Shareholder or to other investors who apply for Shortfall Shares under the Shortfall Offer.

If there any New Shares under the Entitlement Offer that are not applied for, the Company will allocate Shortfall Shares according to the following priority, with such allocation being in compliance with the takeover provisions:

- (i) to each existing Shareholder who has applied for Shortfall Shares through the Shortfall Offer;
- (ii) if following the allocation in (i) there remains Shortfall Shares, to those investors who apply for Shortfall Shares following an invitation from the Company or the Lead Manager; and
- (iii) if following the allocation (ii) there remains Shortfall Shares, to the Underwriters on a pro-rata to the amount of their underwriting commitment.

Subject to the above, the Directors reserve the right at their absolute discretion to reject any application for Shortfall Shares.

#### (d) Opening and Closing Dates

The Company will accept Shortfall Application Forms from the Entitlement Offer Opening Date until the Entitlement Offer Closing Date, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

The Directors may at any time decide to withdraw this Prospectus or the Shortfall Offer, in which case the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

The Shortfall Shares will be issued within three months after the Entitlement Offer Closing Date.

#### (e) Application Monies held on trust

Pending the issue of the Shares under the Shortfall Offer, or refund of Application Monies, pursuant to this Prospectus, all Application Monies in respect of the Shortfall Offer will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies. The Application Monies will then be released to the Company and applied in accordance with the DOCA.

The Company will be entitled to retain all interest that accrues on the Application Monies and each Applicant waives the right to claim any part of such interest.

### 3.3 Placement Offer

Under this Prospectus, the Company will issue up to 400,000,000 Placement Shares to investors at the same price of 1 cent per New Share as that offered under the Entitlement Offer (**Placement Offer**).

The offer to issue Placement Shares is a separate offer made pursuant to this Prospectus. The Placement Shares will have the same rights as the New Shares detailed in Section 12.1.

#### (a) Eligibility

Eligible Shareholders and other investors may apply for Placement Shares under the Placement Offer. Refer to Section 3.3(b) below.

#### (b) Applications

If Eligible Shareholders or investors wish to apply for Placement Shares they should contact the Lead Manager on +61 8 9268 2888 for a Placement Application Form and a copy of this Prospectus.

#### (c) Allocation Policy

Placement Shares may be allocated to any person who completes a Placement Application Form upon invitation from the Company, at the absolute discretion of the Directors in consultation with the Lead Manager.

#### (d) Opening and Closing Dates

The Placement Offer will open on the Entitlement Offer Opening Date and will remain open under the issue of all of the Placement Shares, Ancillary Shares and the Shares in connection with the Debt Repayment.

The Directors may at any time decide to withdraw this Prospectus or the Placement Offer, in which case the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

#### (e) Application Monies held on trust

Pending the issue of the Placement Shares on the Placement Issue Date following shareholder approval of the issue of the Placement Shares, or refund of Application Monies, pursuant to this Prospectus, all Application Monies in respect of the Placement Offer will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies. On the Placement Issue Date these Application Monies will be released to the Company.

The Company will be entitled to retain all interest that accrues on the Application Monies and each Applicant waives the right to claim any part of such interest.

### 3.4 Lead Manager Offer

Under this Prospectus, the Company offers to issue up to 165,000,000 unquoted Options to the Lead Manager (and/or its nominees) as part consideration for corporate advisory services in relation to the Capital Raising (**Lead Manager Options**) (**Lead Manager Offer**).

Each Lead Manager Option will be exercisable at 1.75 cents (pre-consolidation) on or prior to the date that is two years from date of their issue.

The Lead Manager Offer is a separate offer made pursuant to this Prospectus. Refer to Section 12.4 for the terms and conditions of the Lead Manager Options.

#### (a) Eligibility

Only the Lead Manager (and/or its nominees) may apply for Lead Manager Options under the Lead Manager Offer. Refer to section 5.4 for details on how the Lead Manager applies for Lead Manager Options.

#### (b) Applications

A Lead Manager Application Form will be issued to the Lead Manager (and/or its nominees), together with a copy of this Prospectus (**Lead Manager Application Form**). The number of Options to be offered to the Lead Manager (and/or their nominees) will be outlined in the Lead Manager Application Form provided by the Company. The Company will only provide the Lead Manager Application Form to the Lead Manager (and/or its nominees).

#### (c) Secondary Trading

This Prospectus has been prepared for the offer of Lead Manager Options such that the relief provided under ASIC Corporations Act (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the secondary trading provisions of section 707 of the Corporations Act is available.

Specifically, if the Lead Manager Options are issued with disclosure under this Prospectus then the Shares issued upon the exercise of any of the Options can be on-sold within 12 months of their issue without a disclosure document for secondary trading (even if the Shares were issued without disclosure or lodgement of a cleansing statement), as the Options are issued with disclosure and the exercise of the Lead Manager Options does not involve any further offer.

### 3.5 Noteholder Offer

Under this Prospectus, the Company offers to issue up to 43,750,000 unquoted Options to the Secured Creditors (and/or their nominees) pursuant to its obligations under the Existing Convertible Note Deeds (**Noteholder Options**) (**Noteholder Offer**).

The Noteholder Options will have an exercise price of 7.5 cents (pre consolidation) and an expiry date of four years after the date on which the Noteholder Options are issued.

The offer to issue Noteholder Options is a separate offer made pursuant to this Prospectus. Refer to Section 12.5 for the terms and conditions of the Noteholder Options.

#### (a) Eligibility

Only the Secured Creditors (and/or their nominees) may apply for Noteholder Options under the Noteholder Offer. Refer to section 5.5 for details on how the Secured Creditors apply for Noteholder Options.

#### (b) Applications

A noteholder Application Form will be issued to the Secured Creditors (and/or their nominees), together with a copy of this Prospectus (**Noteholder Application Form**). The number of Options to be offered to the Secured Creditors (and/or their nominees) will be outlined in the Noteholder Application Form provided by the Company. The Company will only provide the Noteholder Application Form to the Secured Creditors (and/or its nominees).

#### (c) Secondary Trading

This Prospectus has been prepared for the offer of Noteholder Options such that the relief provided under ASIC Corporations Act (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the secondary trading provisions of section 707 of the Corporations Act is available.

Specifically, if the Noteholder Options are issued with disclosure under this Prospectus then the Shares issued upon the exercise of any of the Options can be on-sold within 12 months of their issue without a disclosure document for secondary trading (even if the Shares were issued without disclosure or lodgement of a cleansing statement), as the Options are issued with disclosure and the exercise of the Noteholder Options does not involve any further offer.

### 3.6 New Shares

All of the Shares offered under this Prospectus will rank equally with the Shares on issue as at the date of this Prospectus. Refer to Section 12.1 for a summary of the rights attached to the Shares.

### 3.7 Purpose of Prospectus and Secondary Trading

#### *Purpose of Prospectus*

The purpose of this prospectus is to:

- (a) make the Entitlement Offer, Shortfall Offer, Placement Offer, Lead Manager Offer and Noteholder Offer;
- (b) ensure that the secondary trading of Ancillary Shares, Lead Manager Shares and the Shares to be issued in connection with the satisfaction of the claims relating to the Existing Convertible Notes, Secured Hawke's Point Debt and Supporting Creditors Debt and the conversion of New Convertible Notes do not breach section 707(3) of the Corporations Act; and
- (c) ensure that the secondary trading of the underlying Shares to be issued upon the exercise of the Lead Manager Options and the Noteholder Options are in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

#### *Secondary Trading*

Section 707(3) of the Corporations Act requires that a disclosure document is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue. Section 708A(5) and section 708A(11) provide exceptions from the requirement that sale offers need disclosure to investors.

Therefore, to ensure the Ancillary Shares, Lead Manager Shares and the Shares to be issued in connection with the Debt Repayment are freely tradable (i.e. are not subject to the secondary trading restrictions in the Corporations Act), the Company must either issue cleansing notice under section 708A(5) of the Corporations Act or issue a prospectus under section 708A(11) of the Corporations Act.

The Company's Shares have been suspended from trading on ASX since 25 July 2018. Accordingly, the Company is unable to issue a cleansing notice under section 708A(5) of the Corporations Act as its Shares have been suspended from trading on ASX for more than 5 trading days in the last 12 months.

However, further and relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities of the company that are quoted securities of the body;
- (b) either:
  - (i) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The issue of the Ancillary Shares, Lead Manager Shares and the Shares to be issued in connection with the Debt Repayment was not undertaken by the Company with the purpose of selling or transferring these Shares. However, the Directors consider that the holders should be able to sell those Shares, should they wish to do so, without the need for disclosure under Part 6D.2 of the Corporations Act.

The Company will issue the following Shares prior to the Placement Offer Closing Date:

- (d) Shares on satisfaction of Existing Convertible Notes

Pursuant to the Recapitalisation and the DOCA, the Company and the Secured Creditors have agreed, subject to Shareholder approval, for the Company to issue Shares (and the Noteholder Options) to the Secured Creditors (and/or their nominees) in full satisfaction of claims under the Existing Convertible Notes. The material terms and conditions of the Existing Convertible Notes are summarised in Section 11.2.

The Existing Convertible Notes were issued without disclosure under Chapter 6D of the Corporations Act, in reliance on an exemption in section 708 of the Corporations Act. To ensure the Shares issued upon satisfaction of the claims relating to Existing Convertible Notes are freely tradable, this Prospectus is being issued pursuant to section 708A(11) of the Corporations Act.

The Company will issue 932,917,808 Shares on satisfaction of the claims relating to Existing Convertible Notes (including 57,917,808 in lieu of interest) and these Shares will rank equally with the existing Shares on issue. The issue of Shares will satisfy the Company's obligations with respect to the Existing Convertible Notes. Refer to Section 12.1 for details of the rights and liabilities attaching to Shares.

- (e) Shares on satisfaction of Secured Hawke's Point Debt

Pursuant to the Recapitalisation and the DOCA, the Company and Hawke's Point have agreed, subject to Shareholder approval, for the Company to issue Shares to Hawke's Point (and/or their nominees) in full satisfaction of claims under the Secured Hawke's Point Debt. The material terms and conditions of the Secured Hawke's Point Debt is summarised in Section 11.4.

The Shares issued on satisfaction of the Secured Hawke's Point Debt will be issued without disclosure under Chapter 6D of the Corporations Act, in reliance on an exemption in section 708 of the Corporations Act. To ensure that the Shares issued upon satisfaction of the Secured Hawke's Point Debt are freely tradable, this Prospectus is being issued pursuant to section 708A(11) of the Corporations Act.

The Company will issue 1,137,088,387 Shares on satisfaction of the Secured Hawke's Point Debt (including 54,431,956 in lieu of interest) and these Shares will rank equally with the existing Shares on issue. The issue of Shares will satisfy the Company's obligations with respect to the Secured Hawke's Point Debt. Refer to Section 12.1 for details of the rights and liabilities attaching to Shares.

- (f) Shares on satisfaction of Supporting Creditors Debt

Pursuant to the Recapitalisation and the DOCA, the Supporting Creditors have agreed to accept a cash payment out of the Capital Raising equal to 22 cents of 60% of each such Supporting Creditor's agreed claim amount and, subject to Shareholder approval, be issued with Shares in full satisfaction of the remaining 40% of their respective agreed claims (**Supporting Creditors Debt**).

The Shares issued on satisfaction of the Supporting Creditors Debt will be issued without disclosure under Chapter 6D of the Corporations Act, in reliance on an exemption in section 708 of the Corporations Act. To ensure that the Shares issued upon satisfaction of the Supporting Creditors Debt are freely tradable, this Prospectus is being issued pursuant to section 708A(11) of the Corporations Act.

The Company will issue 1,393,103,932 Shares on satisfaction of the remaining Supporting Creditors Debt and these Shares will rank equally with the existing Shares on issue. The issue of Shares will satisfy the Company's obligations with respect to the Supporting Creditors Debt. Refer to Section 12.1 for details of the rights and liabilities attaching to Shares.

(g) Shares on conversion of New Convertible Notes

Pursuant to the terms of the New Convertible Note Deeds, the holders of the New Convertible Notes will agree to convert the New Convertible Notes into Shares. The material terms and conditions of the New Convertible Notes are summarised in Section 11.3.

The New Convertible Notes will be issued without disclosure under Chapter 6D of the Corporations Act, in reliance on an exemption in section 708 of the Corporations Act. To ensure the Shares issued upon conversion of the Existing Convertible Notes are freely tradable, this Prospectus is being issued pursuant to section 708A(11) of the Corporations Act.

The Company will issue up to 38,100,000,000 Shares on conversion of the New Convertible Notes and these Shares will rank equally with the existing Shares on issue. Such conversion will satisfy the Company's obligations with respect to the New Convertible Notes. Refer to Section 12.1 for details of the rights and liabilities attaching to Shares.

(h) Shares in settlement of disputes

Pursuant to a deed of settlement, the Company will issue 10,000,000 Shares to Stewart Freeth (in his capacity as executor of the Estate of Gerard Victor Brewer) and 10,000,000 Shares to Glenn Alan Haythornthwaite as part consideration for settling tenement claims (**Ancillary Shares**).

The Ancillary Shares will be issued without disclosure under Chapter 6D of the Corporations Act, in reliance on an exemption in section 708 of the Corporations Act. To ensure the Ancillary Shares issued to Stewart Freeth (in his capacity as executor of the Estate of Gerard Victor Brewer) and 10,000,000 Shares to Glenn Alan Haythornthwaite are freely tradable, this Prospectus is being issued pursuant to section 708A(11) of the Corporations Act.

The Ancillary Shares will rank equally with the existing Shares on issue. Refer to Section 12.1 for details of the rights and liabilities attaching to Shares.

(i) Shares to Lead Manager

Pursuant to the Lead Manager Mandate, the Company will issue 30,000,000 Shares to the Lead Manager (and/or its nominees) as part consideration for corporate advisory services in relation to the Capital Raising (**Lead Manager Shares**).

The Lead Manager Shares will be issued without disclosure under Chapter 6D of the Corporations Act, in reliance on an exemption in section 708 of the Corporations Act. To ensure the Lead Manager Shares issued to the Lead Manager (and/or its nominees) are freely tradable, this Prospectus is being issued pursuant to section 708A(11) of the Corporations Act.

The Lead Manager Shares will rank equally with the existing Shares on issue. Refer to Section 12.1 for details of the rights and liabilities attaching to Shares.

### 3.8 New Convertible Notes

The Company will be issuing New Convertible Notes as part of the Capital Raising. The New Convertible Notes will not be offered pursuant to this Prospectus. The New Convertible Notes will be offered to sophisticated and professional investors in accordance with sections 708(8) and 708(11) of the Corporations Act, respectively without a disclosure document. This Prospectus is being issued to comply with section 708A(11) of the Corporations Act to facilitate the secondary trading of the Shares to be issued in connection with the Debt Repayment (which includes conversion of the New Convertible Notes to Shares).

### 3.9 Minimum Subscription

The Entitlement Offer, Shortfall Offer, Placement Offer and New Convertible Note raisings do not have an individual minimum subscription. However, the minimum amount to be raised pursuant to the Capital Raising as a whole is \$30 million. If less than \$30 million is raised within three months of this Prospectus being lodged with ASIC, then the Company will in accordance with the Corporations Act return the subscription money received from investors who have accepted the Offers in accordance with the Corporations Act.

### 3.10 Lead Manager

The Company has appointed Hartleys Limited (**Hartleys**) as lead manager to the Capital Raising (**Lead Manager**). The terms and conditions of the Hartleys engagement as Lead Manager are set out in Section 11.5.

### 3.11 Underwriting

Peter Mansell, Keith Jones and David Quinlivan, current Directors, have entered into separate underwriting agreements with the Company to partially underwrite the Entitlement Offer (**Underwriting Agreements**) up to the amount detailed in the following table:

Director	Underwritten Amount
Mr Peter Mansell	\$250,000
Mr Keith Jones	\$100,000
Mr David Quinlivan	\$100,000

*Table 8: Directors Underwriting*

No underwriting fees are payable to the Directors under any of the Underwriting Agreements.

The Underwriters will subscribe for such number of Shortfall Shares up to their underwriting amount. In the event that there is insufficient Shortfall Shares for the Directors to be allocated their total underwriting amount, the Underwriters will be allocated such number of Shortfall Shares in pro-rata to their underwriting commitments.

Each Director has the right to terminate their respective Underwriting Agreement, if prior to 10.00am on the date for settlement if any of the following occurs:

- (a) the Company is prevented from issuing the Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (b) the Company withdraws the Prospectus or the Entitlement Offer or indicates that it does not intend to proceed with the Entitlement Offer or any part of it.

### 3.12 Risks of the Offer

There are risks associated with any securities investment. However, having regard to the risks applicable to the Company and its business detailed in Section 2, the potential investors should be aware that an investment in the Securities offered under this Prospectus should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, potential investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 6), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

### 3.13 Issue of Shares and Dispatch

Following the closing of the Entitlement Offer and the Shortfall Offer, and as a prerequisite to the issuance of Shares to subscribers under these offers, the Board and the Deed Administrators will, based on the results of the Entitlement Offer, decide whether the Recapitalisation is likely to successfully complete and when to issue the New Shares.

If the Board and Deed Administrators decide to proceed with the issue of the New Shares:

- (a) all New Shares under the Entitlement Offer and Shortfall Offer are expected to be issued on or before the dates specified in the Indicative Timetable;
- (b) all Placement Shares will be issued following Shareholder approval; and
- (c) all Lead Manager Options and Noteholder Options will be issued following Shareholder approval.

### 3.14 ASX Quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for Official Quotation of the New Shares offered pursuant to this Prospectus. If ASX does not grant Official Quotation of the New Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as ASX allows), no Shares will be issued or allotted under the Entitlement Offer, Shortfall Offer and Placement Offer and the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

At the date of this Prospectus, the Company's Shares are suspended from trading on ASX. The Company is seeking for its Shares to be reinstated to trading on ASX. There is a risk that the Company may not be able to meet the requirements of the ASX for its Shares to be reinstated to trading. Should this occur the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all.

In the event the conditions of the Offers and Recapitalisation are not satisfied or the Company does not receive conditional approval for its Shares to be reinstated to trading on terms which the Board reasonably believes are capable of satisfaction, then the Company will not proceed with the Offers and will repay Application Monies received (without interest).

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the Shares issued pursuant to this Prospectus is not taken in any way as an indication by ASX as to the merits of the Company or the Shares.

### **3.15 Withdrawal**

The Directors may at any time decide to withdraw this Prospectus and any of the Offers, in which case, the Company will return the relevant Application Monies (without interest) in accordance with the provisions of the Corporations Act.

### **3.16 CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

### **3.17 Overseas Shareholders**

This Prospectus does not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The Offers are not being extended, and Securities will not be issued, to persons with a registered address which is outside Australia, New Zealand, Hong Kong, Singapore, United Kingdom and Canada where the Offers do not fall within a security offering exception applicable to those Shareholders in that jurisdiction. In respect of the Entitlement Offer, it is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

### **3.18 Taxation Implications**

The Directors do not consider it appropriate to give investors advice regarding the taxation consequences of subscribing for Securities.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to investors. Potential investors should consult their own professional tax adviser to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

### **3.19 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

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By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's Related Bodies Corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

### **3.20 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to to our Share Registry on 1300 850 505 (within Australia) or + 61 3 9415 5000 (outside Australia).

## 4. Effect of the Offers and Recapitalisation

### 4.1 Use of Funds

The Capital Raising is intended to raise a minimum of \$30 million and up to \$40 million (before expenses of the Capital Raising).

The funds received from the Capital Raising, comprising the Offers and the issue of the New Convertible Notes, are planned to be used in accordance with the table below:

Expenditure Plan (excl GST)	Minimum Capital Raising (\$30 million) \$	Midpoint Capital Raising (\$35 million) \$	Maximum Capital Raising (\$40 million) \$
Creditors' Trust Fund	7,300,000	7,300,000	7,300,000
Supporting Creditor Payments	4,597,243	4,597,243	4,597,243
Korda Mentha Fee	680,000	680,000	680,000
Repayment of Hawke's Point Loan to Deed Administrators	650,000	650,000	650,000
Exploration and Resource Development	15,200,000	20,000,000	24,700,000
Lead Manager fees	1,440,000	1,680,000	1,920,000
Hawke's Point legal fees	120,000	120,000	120,000
<b>Total</b>	<b>29,987,243</b>	<b>35,027,243</b>	<b>39,967,243</b>

*Table 9: Expenditure Plan*

On completion of the Capital Raising, the Board believes the Company will have sufficient working capital to achieve the work program detailed in sections 2.5 and 2.6.

A further breakdown of the funds to be used for Exploration and Resource Development expenditure is included at Table 5 in Section 2.7.

The above table is a statement of the Board's current intentions as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

## 4.2 Capital Structure on completion of the Offers and Recapitalisation

On the basis that the Company obtains approval for all resolutions put to Shareholders at the General Meeting (or any adjournment thereof or subsequent meeting), in respect of the issue of Securities, the Company's capital structure will be as follows:

	Prior to Recapitalisation	Post Recapitalisation Minimum \$30 million	Post Recapitalisation Midpoint \$35 million	Post Recapitalisation Maximum \$40 million
Shares	761,784,750	7,295,044,504 (pre consolidation) 486,336,300 (post consolidation)	7,800,523,955 (pre consolidation) 520,034,930 (post consolidation)	8,306,003,408 (pre consolidation) 553,733,561 (post consolidation)
Options	211,663,376 <sup>1</sup>	497,738,376 (pre consolidation) 33,182,558 (post consolidation)	522,738,376 (pre consolidation) 34,849,225 (post consolidation)	547,738,376 (pre consolidation) 36,515,892 (post consolidation)
Convertible Notes	87,500 <sup>2</sup>	Nil	Nil	Nil

Table 10: Capital Structure Table

Notes:

1 Comprising:

9,700,000 unquoted options exercisable at \$0.189 on or before 8 March 2020;

12,325,000 unquoted options exercisable at \$0.189 on or before 8 March 2020;

32,675,000 unquoted options exercisable at \$0.275 on or before 31 January 2023;

32,675,000 unquoted options exercisable at \$0.25 on or before 31 January 2023;

7,642,500 unquoted options exercisable at \$0.26 on or before 2 February 2021;

1,000,000 unquoted options exercisable at \$0.465 on or before 2 February 2021;

57,822,937 unquoted options exercisable at \$0.275 on or before 2 February 2023; and

57,822,939 unquoted options exercisable at \$0.25 on or before 2 February 2023.

2 Comprising:

35,000 secured convertible notes issued to Hawke's Point with a face value of \$100;

25,000 secured convertible notes issued to Donald Smith with a face value of \$100;

20,000 secured convertible notes issued to Wyllie Group with a face value of \$100; and

7,500 secured convertible notes issued to Perennial with a face value of \$100.

Pursuant to the Capital Raising, the Company will issue New Convertible Notes. The New Convertible Notes will be issued and, subject to the Shareholder approval, converted into Shares.

Subject to Shareholder approval, the Options on issue on completion of the Offers and Recapitalisation will include, in addition to the existing Options on issue, the Lead Manager Options, Noteholder Options and Director Options.

## 4.3 Dilution of the Recapitalisation

Shareholders should be aware that they will be subject to dilution by reason of the Company undertaking the Capital Raising including by way of:

- the issue of Shares pursuant to the Entitlement Offer and Shortfall Offer (if Shareholders do not take up their Entitlement in full);
- subject to Shareholder approval, the issue of Shares on satisfaction of the claims relating to Existing Convertible Notes, Secured Hawke's Point Debt and Supporting Creditors Debt;
- subject to Shareholder approval, the conversion of New Convertible Notes;
- subject to Shareholder approval, the issue of Shares pursuant to the Placement Offer;
- the issue of Lead Manager Shares; and

(f) the issue of Ancillary Shares.

The issue of Noteholder Options and Director Options will not dilute existing Shareholders of the Company.

Securities issued / on issue	Minimum \$30 million Capital Raising \$	Midpoint \$35 million Capital Raising \$	Maximum \$40 million Capital Raising \$
Hawke's Point current Shares on issue	91,875,000 (1.2%)	91,875,000 (1.2%)	91,875,000 (1.1%)
Current Shares on issue other than Hawke's Point	669,909,750 (9.2%)	669,909,750 (8.6%)	669,909,750 (8.1%)
Shares to be issued to Hawke's Point following completion of the Recapitalisation	up to 3,024,363,014 (41.5%)	up to 2,392,513,698 (30.7%)	up to 2,518,883,562 (30.3%)
Shares to be issued to other investors following Completion of the Recapitalisation	3,508,896,740 (48.1%)	4,646,225,507 (59.5%)	5,025,335,096 (60.5%)
Total Shares on issue following Completion of the Recapitalisation (undiluted)	7,295,044,504 (pre consolidation) 486,336,300 (post consolidation) (100%)	7,800,523,955 (pre consolidation) 520,034,930 (post consolidation) (100%)	8,306,003,408 (pre consolidation) 553,733,561 (post consolidation) (100%)
Existing Options on issue	211,663,376	211,663,376	211,663,376
Lead Manager Options to be issued	115,000,000	140,000,000	165,000,000
Noteholder Options to be issued to Hawke's Point	17,500,000	17,500,000	17,500,000
Noteholder Options to be issued to Secured Creditors other than Hawke's Point	26,250,000	26,250,000	26,250,000
Director Options	127,325,000	127,325,000	127,325,000
Total Shares on issue following completion of the Recapitalisation (diluted)	<b>7,792,782,880</b> (pre consolidation) 519,518,859 (post consolidation)	<b>8,323,262,331</b> (pre consolidation) 554,884,155 (post consolidation)	<b>8,853,741,784</b> (pre consolidation) 590,249,452 (post consolidation)

Table 11: Dilution Table

#### 4.4 Hawke's Point and Investment

(a) Hawke's Point

Hawke's Point, which consists of Hawke's Point Holdings I Limited and Hawke's Point Holdings II Limited, is a wholly-owned subsidiary of TFG Asset Management L.P. (TFG), an international, diversified alternative asset manager that owns majority and minority equity stakes in asset management companies.

Hawke's Point is the asset management business within TFG which focuses on providing capital to companies in the mining and resource sectors across a range of instruments, structures and geographies. Established in 2014 and based in London and New York, Hawke's Point has made two investments in early-stage gold miners to date and had US\$17.9 million in assets under management (AUM) as of 31 December 2018. Its current portfolio managers are:

- Scott Marsh;
- Pim Kalisvaart; and
- Erik Caspersen.

As of 31 December 2018, TFG's AUM totalled approximately US\$28.1 billion and it had approximately 370 employees globally. TFG is in turn owned by Tetragon Financial Group Limited, a close ended investment company that is listed on the Euronext Amsterdam N.V. and also on the Specialist Fund Segment of the main market of the London Stock Exchange.

At the date of this Prospectus, entities associated with Hawke's Point hold approximately 12.06% of the Company's issued share capital.

If all of the share issuances referred to in the Notice of Meeting are approved and the Shares are issued, Hawke's Point and its associates will have a shareholding of up to approximately 42.85% following completion of the Recapitalisation. Hawke's Point will not acquire a relevant interest in, or voting power of, the Company of greater than 19.99% as a result of taking up its Entitlement under the Entitlement Offer and applying for Shortfall Shares.

These voting power figures include the impact of Shares on exercise of Hawke's Point's Options.

Further details of the voting power and intentions of Hawke's Point and contained in the Notice of Meeting.

(b) Investmet

At the date of this Prospectus, entities associated with Investmet Limited hold approximately 30.49% of the Company's issued share capital.

If all of the share issuances referred to in the Notice of Meeting are approved and the Shares are issued, and Investmet and its associated entities take up their Entitlement, the holding of Investmet and its associates will be up to approximately 6% on completion of the Recapitalisation.

If all of the share issuances referred to in the Notice of Meeting are approved and the Shares are issued, and Investmet and its associated entities do not take up their Entitlement, the holding of Investmet and its associates will be up to approximately 3% on completion of the Recapitalisation.

#### 4.5 Pro-Forma Statement of Financial Position

Included in the Independent Limited Assurance Report in Section 8 are the Company's Consolidated Statement of Financial Position as at 31 December 2018 (reviewed) and the Company's Pro-Forma Consolidated Statement of Financial Position as at 31 December 2018 (reviewed), incorporating the effect of the Recapitalisation and the effectuation of the DOCA (**Statements**).

The Statements are presented in abbreviated form insofar as they do not include all the disclosures that are present in annual financial reports as required by Australian Accounting Standards. The significant accounting policies that underpin the Statements are the same policies as those outlined in the Company's Annual Report.

The Pro-Forma Consolidated Statement of Financial Position has been prepared on the basis that there are no material movements in the assets and liabilities of the Company between 31 December 2018 and the completion of the Offer, except for:

- the issue of Shares on the satisfaction of the claims relating to Existing Convertible Notes, Secured Hawke's Point Debt and Supporting Creditors Debt and the conversion of New Convertible Notes;
- the issue of Shares under the Entitlement Offer, Shortfall Offer and Placement Offer;
- the issue of Lead Manager Shares and Ancillary Shares;
- estimated costs of the Recapitalisation;
- settlement of all trade and other payables;
- settlement of all loans and borrowings;
- reduction of provision for onerous lease; and
- the effectuation of the DOCA.

## 5. Action required by Applicants

### 5.1 Entitlement Offer

#### (a) What Eligible Shareholders may do

Your entitlement to participate in the Entitlement Offer will be determined on the Record Date. The number of New Shares to which Eligible Shareholders are entitled to is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (i) accept all of their Entitlement (refer to Section 5.1(b));
- (ii) accept all of their Entitlement and apply for Shortfall Shares (refer to Section 5.1(c));
- (iii) accept a proportion of their Entitlement and allow the balance to lapse (refer to Section 5.1(d)); or
- (iv) not take up their Entitlement (refer to Section 5.1(e)).

If you are an Eligible Shareholder and wish to accept all or part of your Entitlement:

- (i) carefully read this Prospectus in its entirety;
- (ii) consider the risks associated with an investment in the Company (refer to Section 6) in light of your personal circumstances;
- (iii) complete the personalised Entitlement and Acceptance Form in accordance with the instructions contained in this Prospectus and detailed in the accompanying Entitlement and Acceptance Form; and
- (iv) return the completed Entitlement and Acceptance Form (unless you elect to pay via BPAY<sup>®</sup>) together with the Application Monies (in full) in accordance with Section 5.1(f), so that it is received at the address noted on the back of the form by no later than 5:00pm (WST) on the Entitlement Offer Closing Date:

#### (b) Acceptance of ALL of your Entitlement under the Entitlement Offer

If you wish to accept all of your Entitlement, then applications for New Shares must be made on the accompanying Entitlement and Acceptance Form in accordance with the instructions in this Prospectus and on the Entitlement and Acceptance Form. Eligible Shareholders participating in the Entitlement Offer may also pay via BPAY<sup>®</sup>.

Return the completed Entitlement and Acceptance Form (unless you elect to pay via BPAY<sup>®</sup>), together with the Application Monies (in full), in accordance with Section 5.1(f), to the Share Registry so that it is received at the address noted on the back of the form by no later than 5:00pm (WST) on the Entitlement Offer Closing Date.

#### (c) Acceptance of ALL of your Entitlement and applying for Shortfall Shares

If you wish to accept all of your Entitlement and apply for New Shares in excess of your Entitlement by applying for Shortfall Shares, then applications for Shortfall Shares must be made by completing the relevant sections in the Entitlement and Acceptance Form, in accordance with the instructions in the Prospectus and on the accompanying Entitlement and Acceptance Form. There is no limit to the amount of New Shares you may subscribe for under the Shortfall Offer. Eligible Shareholders participating in the Entitlement Offer may also pay via BPAY<sup>®</sup>.

Return the completed Entitlement and Acceptance Form (unless you elect to pay via BPAY<sup>®</sup>), together with the Application Monies (in full), in accordance with Section 5.1(f), to the Share Registry so that it is received at the address noted on the back of the form by no later than 5:00pm (WST) on the Entitlement Offer Closing Date.

#### (d) Acceptance of PART of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement and allow the balance to lapse, complete the Entitlement and Acceptance Form in accordance with the instructions referred to in this Prospectus and the instructions detailed on the form, including the number of New Shares you wish to accept and the Application Monies (calculated at 1 cent per New Share accepted). Eligible Shareholders participating in the Entitlement Offer may also pay via BPAY<sup>®</sup>.

Return the completed Entitlement and Acceptance Form (unless you elect to pay via BPAY<sup>®</sup>), together with the Application Monies (calculated at 1 cent per New Share accepted), in accordance with Section 5.1(f), to the Share Registry so that it is received at the address noted on the back of the form by no later than 5:00pm (WST) on the Entitlement Offer Closing Date.

If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up part of your Entitlement.

(e) Entitlement not taken up

If you do not wish to accept any of your Entitlement under the Entitlement Offer, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement under the Entitlement Offer will become Shortfall Shares.

The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

(f) Payment

The offer price of New Shares under the Entitlement Offer is 1 cent per New Share.

For Eligible Shareholders participating in the Entitlement Offer, Application Monies must be received by the Company by 5:00pm (WST) on the Entitlement Offer Closing Date.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order drawn in Australian dollars, made payable to 'Eastern Goldfields Limited' and crossed 'Not Negotiable'.

Eligible Shareholders participating in the Entitlement Offer, and who wish to pay via BPAY<sup>®</sup>, must follow the instructions on the Entitlement and Acceptance Form. You will be deemed to have applied for as many New Shares as your application monies will pay for upon receipt of the BPAY<sup>®</sup> payment by the Company.

If paying via BPAY<sup>®</sup>, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and it is the responsibility of Eligible Shareholders to ensure that funds are submitted through BPAY<sup>®</sup> by the date and time mentioned above. If you elect to pay via BPAY<sup>®</sup>, you must follow the instructions for BPAY<sup>®</sup> detailed in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

The Company shall not be responsible for any postal or delivery delays, or delay in the receipt of the BPAY<sup>®</sup> payment.

(g) Brokerage

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement.

(h) Enquiries concerning your Entitlement

If you have any questions in relation to your Entitlement under the Entitlement Offer, contact our Share Registry on 1300 850 505 (within Australia) or + 61 3 9415 5000 (outside Australia).

## 5.2 Shortfall Offer

(a) Application

Eligible Shareholders may apply for Shortfall Shares by completing the relevant section of their Entitlement and Acceptance Form (refer to Section 5.1(c) for further details). Other investors may also apply for Shortfall Shares.

If investors who are not Shareholders wish to apply for Shortfall Shares they should contact the Lead Manager on +61 8 9268 2888 for a Shortfall Application Form and a copy of this Prospectus.

An Application for Shortfall Shares accompanied by payment of Application Monies does not guarantee the allotment or issue of any Shortfall Shares.

In relation to the Shortfall Offer, the Company reserves the right to issue to an Applicant a lesser number of Shortfall Shares than the number applied for, reject an Application or not proceed with the issuing of the Shortfall Shares or part thereof. If the number of Shortfall Shares issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

(b) Payment

The offer price of Shares under the Shortfall Offer is 1 cent per New Share.

For investors participating in the Shortfall Offer, Application Monies must be received by the Company by 5:00pm (WST) on the Entitlement Offer Closing Date.

Completed Shortfall Application Forms must be accompanied by a cheque, bank draft or money order drawn in Australian dollars, made payable to 'Eastern Goldfields Limited' and crossed 'Not Negotiable'.

Eligible Shareholders participating in the Shortfall Offer may also pay via BPAY<sup>®</sup> and should follow the instructions in Sections 5.1(c) and 5.1(f).

### 5.3 Placement Offer

#### (a) Application

If Shareholders or investors wish to apply for Placement Shares they should contact the Lead Manager on +61 8 9268 2888 for a Placement Application Form and a copy of this Prospectus.

An Application for Placement Shares accompanied by payment of Application Monies does not guarantee the allotment or issue of any Placement Shares.

In relation to the Placement Offer, the Company reserves the right to issue to an Applicant a lesser number of Placement Shares than the number applied for, reject an Application or not proceed with the issuing of the Placement Shares or part thereof. If the number of Placement Shares issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

Applicants for Placement Shares should complete the Placement Application Form in accordance with the instructions on the form and return the completed Placement Application Form together with the Application Monies (in full) to the Share Registry.

#### (b) Payment

The offer price of Shares under the Placement Offer is 1 cent per New Share.

For investors participating in the Placement Offer, Application Monies must be received by the Company by 5:00pm (WST) on the Placement Offer Closing Date.

Completed Placement Application Forms must be accompanied by a cheque, bank draft or money order drawn in Australian dollars, made payable to 'Eastern Goldfields Limited' and crossed 'Not Negotiable'.

### 5.4 Lead Manager Offer

The Lead Manager Offer is an offer to the Lead Manager (and/or its nominees). Only the Lead Manager (and/or its nominees) may apply for Lead Manager Options under the Lead Manager Offer.

A Lead Manager Application Form will be issued to the Lead Manager (and/or its nominees), together with a copy of this Prospectus. The number of Options to be offered to the Lead Manager (and/or its nominees) will be outlined in the Lead Manager Application Form provided by the Company. The Company will only provide the Lead Manager Application Form to the Lead Manager (and/or its nominees).

In order to apply for the issue of Lead Manager Options under the Lead Manager Offer, the Lead Manager must return the completed Lead Manager Application Form to the Share Registry so that it is received at the address noted on the back of the form by no later than 5:00pm (WST) on the Placement Offer Closing Date.

If the Lead Manager does not return its Lead Manager Application Form by this time and date, the Lead Manager Offer will lapse.

### 5.5 Noteholder Offer

The Noteholder Offer is an offer to the Secured Creditors (and/or their nominees). Only the Secured Creditors (and/or their nominees) may apply for Noteholder Options under the Noteholder Offer.

A Noteholder Application Form will be issued to the Secured Creditors (and/or their nominees), together with a copy of this Prospectus. The number of Options to be offered to the Secured Creditors (and/or their nominees) will be outlined in the Noteholder Application Form provided by the Company. The Company will only provide the Noteholder Application Form to the Secured Creditors (and/or their nominees).

In order to apply for the issue of Noteholder Options under the Noteholder Offer, the Secured Creditor must return the completed Noteholder Application Form to the Share Registry so that it is received at the address noted on the back of the form by no later than 5:00pm (WST) on the Placement Offer Closing Date.

If a Secured Creditor does not return its Noteholder Application Form by this time and date, the Noteholder Offer will lapse for that Secured Creditor.

### 5.6 Representations by Applicants

By completing and returning an Application Form or paying any Application Monies by BPAY<sup>®</sup>, in addition to the representations set out elsewhere in this Prospectus and the Application Form, you:

- (a) if participating in the Entitlement Offer, represent to the Company that you are an Eligible Shareholder;
- (b) acknowledge that you have received a copy of this Prospectus and an accompanying Application Form, and read them both in their entirety;

- (c) agree to be bound by the terms of the Offers, the provisions of this Prospectus and the Constitution;
- (d) authorise the Company to register you as the holder(s) of the New Shares, Lead Manager Options, Noteholder Options and for Placement Shares (as applicable) (**New Securities**) allotted to you;
- (e) declare that all details and statements in the Application Form are complete and accurate;
- (f) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (g) acknowledge that once the Application Form is returned, or a BPAY<sup>®</sup> payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law;
- (h) in relation to the Entitlement Offer, Shortfall Offer or Placement Offer (as the case may be), agree to accept and be issued up to the number of New Shares specified in the Application Form at the issue price of 1 cent per New Share;
- (i) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (j) if participating in the Entitlement Offer, declare that you were the registered holder at 5:00pm (WST) on the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form;
- (k) acknowledge the statement of risks in Section 6 and that an investment in the Company is subject to risk;
- (l) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the Application Form, nor does it prohibit you from accepting New Securities and that if you participate in the Offers, that you are eligible to do so; and
- (m) if you are in the United States, you certify that you:
  - (i) are an "accredited investor" (as defined in Rule 501(a) under the U.S. Securities Act of 1933) and are acquiring the New Securities for your own account with the present intention of holding the New Securities for the purpose of investment and not with the intention of selling the New Securities in a public distribution in violation of the U.S. federal securities laws or any applicable state securities laws;
  - (ii) understand that:
    - (A) no U.S. federal or state securities commission has recommended nor considered the merits of any investment in the New Securities;
    - (B) the New Securities have not been registered under the Securities Act or the securities laws of any state; and
    - (C) the New Securities cannot be transferred or resold unless they are (i) registered under the Securities Act; (ii) sold or transferred in a transaction exempt from registration under the Securities Act and applicable state securities laws; or (iii) sold outside the United States in compliance with Regulation S under the Securities Act, including in regular way transactions on the ASX if neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been prearranged with a person in the United States;
  - (iii) confirm that you:
    - (A) are knowledgeable in relation to the business of the Company and capable of evaluating the merits and risks of its investment in the New Securities, including income tax consequences of acquiring, owning and disposing of the New Securities;
    - (B) have been afforded access to information about the New Securities, the Company's financial condition, results of operations, business, property, management and prospects sufficient to enable it to invest in the New Securities (including reviewing any offer document prepared by the Company and documents it has filed with ASX);
    - (C) understands that the purchase of the New Securities involves substantial risks; and

- 
- (D) are able to bear the economic risk of its investment in the New Securities;
  - (iv) agree not to forward any offer document prepared by the Company to any person; and
  - (v) understands that the New Securities will constitute "restricted securities" (within the meaning of Rule 144 under the Securities Act) and, for so long as they remain restricted securities, such New Securities may not be deposited in any unrestricted American Depositary Receipt facility of the Company.

## 6. Key Risks

The Securities offered under this Prospectus are considered highly speculative and carry no guarantee with respect to the payment of dividends or returns of capital. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consult their professional advisers and consider the risks described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities.

The following list of key risks ought not to be taken as exhaustive of all the risks faced by the Company or by Shareholders. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be managed and mitigated by planning and the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company or the Directors and cannot be mitigated.

### 6.1 Risks specific to the Company

#### (a) Shareholder meeting and liquidation

The Company will hold a General Meeting in order for Shareholders to consider, vote and approve various resolutions that must be passed for the recapitalisation.

Shares issued under this Prospectus will be entitled to vote at the General Meeting. An important aspect of the recapitalisation is the passing of all Resolutions at the General Meeting. The Directors unanimously recommend that you vote in favour of all Resolutions at the General Meeting (except where the Directors have specifically abstained from making a recommendation). If all Resolutions are not passed at the General Meeting, the Company will need to renegotiate with its Secured Creditors and if unsuccessful the Company may be forced into liquidation.

#### (b) Reinstatement to trading on ASX

The Company's Shares are suspended from trading on ASX. The Company is seeking for its Shares to be reinstated to trading on ASX and this Prospectus has partly been prepared for that purpose.

The Company will hold a General Meeting in order for Shareholders to consider, vote and approve various resolutions that must be passed for the Recapitalisation to take effect and for the Shares to be reinstated to trading on ASX.

The reinstatement of the Shares to trading on ASX is subject to ASX's discretion. There is a risk that ASX will not grant the reinstatement of the Shares to trading on ASX. Therefore, there is a risk that the Shares issued under this Prospectus will not be quoted on ASX.

#### (c) Production and plant

The capital costs required to restart the Company's existing processing plant at Davyhurst have been scoped and estimated to cost approximately \$15 million (+/- 25% level of confidence) by an industry leading engineering, procurement and construction contractor.

This capital cost to restart the processing plant is an estimate only and such capital costs may increase.

#### (d) Future capital requirements

The Company will require significant financing for capital expenditure to develop the Davyhurst Project. The Company will need to raise additional capital if it is to bring the Davyhurst processing plant into production.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the market price and the price of the Offers. Debt financing may or may involve restrictive covenants which limit the Company's operations and business strategy.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern or remain solvent.

#### (e) Title Risk

The Group's mining and exploration activities are dependent upon the maintenance (including renewal) of the exploration licences and mining leases in which the Group has, will have or will acquire an interest in. Maintenance of the Group's exploration licences and mining leases is dependent on, among other things, the Group's ability to comply with licence conditions imposed by relevant authorities including compliance with the Group's minimum expenditure commitments which, in turn, is dependent on the Group being sufficiently funded to meet those commitments. Although the Company has no reason to think that the exploration licences and mining leases in which it currently has an interest, or will have an interest in, will not

be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

Applications for forfeiture and objections to exemption applications have been lodged in respect of M16/262, M16/263 and M16/264 for the reporting year ending in 2011. The exemption applications have been recommended for refusal by the Warden and the decision of the Minister is pending. If the exemption applications are refused, the Company will have failed to comply with the expenditure conditions in which case the forfeiture applications will go before the Warden for a recommendation and ultimately before the Minister for a determination as to whether, in all the circumstances of the case, the non-compliance is of sufficient gravity to justify forfeiture. M16/262 and M16/263 are not part of the Company's five-year exploration and development plan. M16/264 is part of the Company's five-year exploration and development plan, however, the Company will not begin exploration on the lease unless the proceedings are resolved favourably. If the proceedings are not resolved favourably, the Company proposes to redeploy the exploration expenditure on other prospects.

An application for forfeiture and objection to an exemption application was lodged in respect of M24/208 for the reporting year ending in 2015. The exemption application has not yet been heard or determined. If the exemption application is refused, the Company will have failed to comply with the expenditure conditions in which case the forfeiture application will go before the Warden for a recommendation and ultimately before the Minister for a determination as to whether, in all the circumstances of the case, the non-compliance is of sufficient gravity to justify forfeiture. M24/208 is not part of the Company's five-year exploration and development plan.

On 12 February 2019, an application for forfeiture was lodged in respect of E30/491. For the relevant reporting year, expenditure in excess of the minimum commitment has been claimed. The Company intends to defend the proceedings. E30/491 is not part of the Company's five-year exploration and development plan.

Tasex Geological Services Pty Ltd has issued proceedings in the Warden's Court seeking a declaration that M30/253 and E30/468 are held on constructive trust and an order compelling the Company to transfer M30/253 and E30/468 to Tasex Geological Services Pty Ltd. The Company intends to defend the proceedings. M30/253 and E30/468 are not part of the Company's five-year exploration and development plan.

(f) Historical issues from trading

The Company's shares have been suspended since 25 July 2018. Further, the Company has had a history of financial difficulties and suspensions, including disputes with contractors, being subject to a wind-up application and previous periods of voluntary administration.

Further, these issues and any resulting loss of confidence, may cause damage to the Company's reputation and brand. There is also a risk that the uncertainty created by these issues may be a hindrance to future recruitment of employees.

(g) Nature of mineral exploration and mining

Possible future development of mining operations at the Davyhurst Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk for third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards. Industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruption due to inclement or hazardous weather condition and fires, explosions or accidents. No assurances can be given that the Company will achieve commercial viability through the exploration or development of its projects and treatment of deposits.

The success of the Company will also depend on the Company having access to sufficient capital, being able to maintain permits and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the permits, a reduction in the cash reserves of the Company and possible relinquishment of the tenements.

(h) Project delays and cost overruns

The Company's ability to develop and potentially commercialise the Davyhurst Project on schedule may be affected by factors including project delays and cost overruns.

If the Company experiences project delays or cost overruns, this could result in the Company not realising its operational or development plans or result in such plans costing more than expected or taking longer to realise than expected.

(i) Resource Estimates

The resource estimates for the Davyhurst Project are estimates only and no assurances can be given that any particular level of recovery of gold will in fact be realised. Resource estimates are expressions of judgment based on knowledge, experience and industry practice.

Estimates that are valid when originally calculated may change significantly when new information or techniques become available. In addition, by their very nature, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value.

(j) Risk of Forfeiture applications

If the Company does not expend in excess of the minimum expenditure commitment or obtain a certificate of exemption in respect of each tenement for each reporting year, there is a risk that those tenements could be forfeited.

Even if the Company does expend in excess of the minimum expenditure or has good grounds for the grant of a certificate of exemption, it is possible that a third party could lodge a forfeiture application or an objection to any exemption application. If this occurs, the Company will need to substantiate that expenditure or grounds for exemption in proceedings before the Mining Warden which would entail legal and other costs.

(k) Commercial Risks of Mineral Exploration and Extraction

The Group's tenements are at various stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the exploration licences and mining leases or any other tenements that may be acquired in the future, will result in the discovery of any economic deposits. Even if the Company identifies a viable deposit, there is no guarantee that the mineral deposit can be economically exploited.

(l) Environmental Risk

The Company's projects are subject to certain regulations regarding environmental matters. The governments and other authorities that administer and enforce environmental laws determine these requirements. The Company's activities, like all exploration projects and mining operations, are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(m) Environmental and other statutory approvals

The Company's project and operations are subject to Commonwealth and State laws, regulations and specific conditions regarding approvals to explore, construct and operate. There is a risk that such laws, regulations and specific conditions may impact the profitability of the Company's projects and the ability for the projects to be satisfactorily permitted. Key approvals from the Environmental Protection Authority, Department of Mines, Industry Regulation and Safety, Department of Water and many other agencies may take a long time to obtain or may not be obtained at all. The Company has identified that the process will have disturbances associated with pipelines, bores, trenches, roads and waste storage facilities.

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consents, conditions of operation including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal,

protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters.

The Company requires permits from regulatory authorities for its exploration, development, production and rehabilitation activities. Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely matter or not at all. The costs and delays associated with obtaining necessary permits and complying with such permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operations or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities, suspension of the Company's activities or forfeiture of one or more of its tenements.

(n) Change in regulations

Adverse changes in Federal or Western Australian government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations and mining and exploration activities of the Company. The current system of exploration and mining permitted in Western Australia may change resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. Increased royalties or any other changes to the royalty regime could result in higher operating costs for the Company and may have an adverse effect on the Company's business, results, financial condition and prospects.

(o) Commodity Prices and Exchange Rates

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of gold exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

In addition, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian Dollar as determined in international markets.

(p) Insurance

The Company will, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there will remain the risk that an insurer may default in payment of a legitimate claim by the Company under an insurance policy.

(q) Competition Risk

Competition from competing gold producers may adversely affect the Company's future financial performance and profitability.

(r) Contractual Disputes

There is a risk that the Company's business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

(s) Contract Risks

The Company may operate through a series of contractual relationships with operators and sub-contractors. All contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed. Any disruption to services or supply may have an adverse effect on the financial performance of the Company's operations.

(t) Equipment Risk

The operations of the Company could be adversely affected if essential equipment fails.

(u) Litigation Risk

The Company is exposed to possible litigation risks including forfeiture claims native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result litigation. Any such

claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

## 6.2 General Risks

### (a) Securities investments

There are risks associated with any securities investment. The prices at which the securities of the Company trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for resource companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the securities of the Company regardless of its operational performance.

### (b) Share Market Conditions

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital;
- (vi) terrorism or other hostilities; and
- (vii) other factors beyond the control of the company.

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company, or any return on an investment in the Company.

### (c) Economic Risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, interest rates, exchange rates, gold prices and the rate of inflation.

### (d) Other Projects

The Company may look to complete other investments and acquisitions in the future, the details of which are not known at the date of this Prospectus. Those acquisitions and investments will carry their own set of risks.

## 6.3 Investment Speculative

The above list of key risks ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the Shares.

The Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

## 7. Directors and Corporate Governance

### 7.1 Directors

The Company's Board comprises the directors detailed below. Collectively, the Board's skill matrix includes extensive experience at both Executive and Board level across the resources sector, and a high level of Legal, Corporate Governance, Accounting, Audit, Corporate Advisory, Resources Project Financing, Leadership and Technical skills including Mining Engineering, Chemical Engineering and Project Development.

#### (a) Peter Mansell - Non-Executive Chairman

Mr Peter Mansell is an experienced company director with over 20 years' experience as a listed company director in Australia, including as Chair of two ASX 100 companies, producing resources company Zinifex Limited and West Australian Newspapers Holdings Limited. Both of these organisations dealt with times of rapid change and external challenge.

Amongst other directorships, Mr Mansell currently chairs Energy Resources of Australia Ltd. Mr Mansell has been a director of BWP Management Ltd, the responsible entity for the BWP Trust, Foodland Associated Ltd, OZ Minerals Ltd, Electricity Networks Corporation (trading as Western Power) (Chairman) and Nyrstar NV (listed on Euronext). Mr Mansell is also a Non-executive Director of the charity organisation Foodbank of Australia Ltd, the Chairman of Foodland of Western Australia Inc and the Chairman of The Cancer Research Trust.

He has had significant varied corporate experience both as a director and a lawyer of 40 years' experience. Mr Mansell has been involved in mergers and acquisitions, demergers, schemes of arrangement, takeovers (both as acquirer and target) and control contests and has also had exposure as a director to the natural resources, media, agribusiness, property, energy (upstream oil and gas plus electricity – in a regulated environment), entertainment, industrial, financial and grocery retailing sectors.

Mr Mansell has negotiated and successfully managed two large law firm mergers and subsequent integration, and was previously a partner at Freehills (the predecessor of the law firm Herbert Smith Freehills), including the Managing Partner for over 10 years, and the National Chairman.

#### (b) David Quinlivan - Managing Director and Chief Executive Officer

Mr David Quinlivan is a Mining Engineer with significant mining and executive leadership experience, including 11 years at WMC Resources Limited, followed by a number of high-profile mining development positions. Since 1989, Mr Quinlivan has served as Principal of Borden Mining Services, a mining consulting services firm, where he has worked on a number of mining projects in various capacities.

He served as Chief Executive Officer of Sons of Gwalia Ltd (post appointment of administrators), Chief Operating Officer of Mount Gibson Iron Ltd, President and Chief Executive Officer of Alacer Gold Corporation and Chairman of Churchill Mining PLC.

David is currently Non-executive Chairman of Silver Lake Resources, which has successfully turned around an initially difficult operating experience and has recently merged with Doray Minerals.

David Quinlivan was appointed as interim Managing Director by the Deed Administrators. David has agreed to an ongoing role as Managing Director following completion of the Capital Raising, with David's primary role being to guide the Company through its re-establishment phase.

#### (c) Keith Jones - Non-Executive Director

Mr Keith Jones is a chartered accountant and experienced company director with over 40 years' experience in professional and financial services, having been involved with audit, merger & acquisition advice, valuation, modelling and risk review of a wide range of clients.

Key clients in the resource sector have included Rio Tinto, BHP, FMG and a large number of smaller mining companies. Mr Jones has worked for a range of companies in the services sector including media, finance and logistics.

Mr Jones chaired the Deloitte Australia Board for 4 years to 31 May 2017 after being a Board member from 2007. He was 15 years as Managing Partner of Deloitte in Western Australia and also served for 10 years on the Board of the Institute for Child Health Research.

Mr Jones is currently the Chairman of the Board of Gindalbie Metals Ltd.

His professional career spans an extensive track record as an accounting professional, across Audit and Corporate and Advisory roles, operating at the Partner and above level since 1985.

The professional work Mr Jones has conducted over his career covers a cross section of industries with a deep expertise in the resource sector including contracting and a range of service industries. His focus on

Energy and Resources within Deloitte made Mr Jones the national industry leader in Australia and he led the Energy and Resources Team across Australia for 5 years during which time the Deloitte team in the resource sector became the most important industry team in Australia.

(d) Mark Wheatley - Non-Executive Director

Mr Mark Wheatley is a chemical engineer and an experienced resources company CEO, Non-Executive Director and Chairman with a career spanning more than 30 years in mining and related industries. His executive roles include BHP Ltd, Bankers Trust Australia, Goldfields Limited, Aurion Gold Limited, Chairman and CEO of explorer and developer, Southern Cross Resources Inc (operator of the Honeymoon ISR uranium project), Managing Director and CEO of BMA Gold Limited, and Executive Chairman of the copper explorer, Xanadu Mimes Limited.

Mr Wheatley is currently a Non-executive Director of Peninsula Energy Ltd and Riversdale Resources Limited.

His other resources experience includes the roles of Chairman of gold producers, Gold One International Ltd and Norton Gold Fields Ltd as well as directorships of St Barbara Ltd, Uranium One Inc. and Uranium Resources Inc. He has also been Non-Executive Chairman of Goliath Gold Mining Ltd.

## 7.2 Directors Holdings

Peter Mansell, through his superannuation fund, will be an underwriter to the Entitlement Offer to the extent of \$250,000.

Keith Jones will be an underwriter to the Entitlement Offer to the extent of \$100,000.

David Quinlivan will be an underwriter to the Entitlement Offer to the extent of \$100,000.

None of the Directors currently hold Shares.

## 7.3 Remuneration of Directors

A summary the remuneration and financial benefits provided to the Directors is detailed below:

Director	Number of Remuneration Options	Number of Incentive Options	Number of Performance Options	Total Number of Director Options
Peter Mansell (Chair)	5,775,000	26,666,675	Nil	<b>32,441,675</b>
David Quinlivan (CEO & Managing Director)	3,850,000	17,777,775	30,000,000	<b>51,627,775</b>
Keith Jones	3,850,000	17,777,775	Nil	<b>21,627,775</b>
Mark Wheatley	3,850,000	17,777,775	Nil	<b>21,627,775</b>
<b>Total</b>	<b>17,325,000</b>	<b>80,000,000</b>	<b>30,000,000</b>	<b>127,325,000</b>

Table 12: Director Remuneration and Financial Benefits

The issue of the Director Options by the Company is subject to Shareholder approval.

(a) Remuneration - Annual Salary and Remuneration Options

The remuneration of Directors (inclusive of all committee fees) will be:

- (i) \$165,000 for the Chair; and
- (ii) \$110,000 for other Directors.

Further to their significant effects in helping drive the Recapitalisation and rebirth of the Company, and in recognition of the need for the Company to preserve cash, prior to completion of the DFS, the Directors have agreed to take 35% of their salary in non-cash form, specifically in Options (**Remuneration Options**).

The number of Remuneration Options has been calculated with each Remuneration Option having a value of 1 cent and based on an annual salary of \$165,000 for the Chair and \$110,000 for the other Directors. Pursuant to this structure, the Director's cash salaries will be reduced to \$107,250 for the Chair and \$71,500 for the other Directors representing a cash saving of \$134,750 per annum.

Because the Remuneration Options are issued in lieu of the payment of the Directors' salaries in cash, the Remuneration Options are issued for nil consideration and with zero exercise price, exercisable after one year of service to the Company and expiring 18 months from the date of grant.

(b) Incentive Options

To appropriately incentivise the continued performance of the Directors and to align their interests with those of Shareholders and the strategic goals and targets of the Company, the Company also considers it

appropriate to grant up to 80,000,000 Options (pre-consolidation) to the Directors to be split between them approximately in proportion to their Director's fees (subject to rounding) and which are subject to vesting conditions (**Incentive Options**).

Each Incentive Option entitles the Director to one ordinary share in the Company on vesting and exercise. Prior to vesting and exercise, Incentive Options do not entitle the Director to any dividends or voting rights. Incentive Options will be eligible to vest in three tranches subject to the satisfaction of the vesting conditions outlined in the table below:

Percentage of Incentive Options granted to the Director	Incentive Option Vesting Condition	Incentive Option Expiry Date
33.33%	Incentive Options will vest if at any time prior to the Incentive Option Expiry Date, the Company's Share price is 18 cents or higher (post consolidation), calculated over a 10 trading day VWAP.	30 June 2020
33.33%	Incentive Options will vest if at any time prior to the Incentive Option Expiry Date, the Company's Share price is 22.5 cents or higher (post consolidation), calculated over a 10 trading day VWAP.	30 June 2021
33.33%	Incentive Options will vest if at any time prior to the Incentive Option Expiry Date, the Company's Share price is 30 cents or higher (post consolidation), calculated over a 10 trading day VWAP.	30 June 2023

Table 13: Incentive Options to Directors

(c) Performance Options

To appropriately incentivise the continued performance of the Managing Director and to align his interest with those of Shareholders and the strategic goals and targets of the Company, the Company also considers it appropriate to grant 30,000,000 Options to the CEO & Managing Director which are subject to vesting conditions (**Performance Options**).

Each Performance Option entitles Mr Quinlivan to one ordinary share in the Company on vesting and exercise. Prior to vesting and exercise, Performance Options do not entitle Mr Quinlivan to any dividends or voting rights.

Performance Options will be eligible to vest in four tranches subject to the satisfaction of the vesting conditions outlined in the table below:

Percentage of Options granted to the Director	Key Performance Indicators	Performance Option Expiry Date
35%	The Company's Shares being reinstated to trading on ASX.	30 June 2020
35%	Delivery of a bankable feasibility study.	30 June 2020
15%	Actual operational and financial performance against the plan outlined in the prospectus.	Measured upon David Quinlivan ceasing to be Managing Director.
15%	Safety record meets or exceeds mining industry key performance indicators.	Measured upon David Quinlivan ceasing to be Managing Director.

Table 14: Performance Options to Directors

(d) Non-Executive Remuneration Pool

The Company will seek Shareholder approval at the Company's upcoming AGM to increase the aggregate amount of fees available to be paid to non-executive Directors by \$350,000 from the current \$500,000 per annum to an aggregate amount of \$850,000 per annum.

## 7.4 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted appropriate systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the ASX Corporate governance Council's *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board composition and structure is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below. The Company's full Corporate Governance Plan will be available in a dedicated corporate governance information section of the Company's website at [www.easterngoldfields.com.au](http://www.easterngoldfields.com.au).

(a) Board of directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (iv) developing initiatives for profit and asset growth;
- (v) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (vi) acting on behalf of, and being accountable to, the Shareholders; and
- (vii) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of a Managing Director, a Non-Executive Chairman and two Non-Executive Directors (each of whom are not considered independent).

(c) Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(e) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(f) Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by

each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(g) Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(h) Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its Directors, Employees and Consultants. The policy generally provides that the written acknowledgement of the Chairman, or Managing Director if the Chairman is not available, (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

(j) Audit and Risk Management Committee

The Company will establish a separate Audit and Risk Management Committee that will carry out the following duties, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

Ultimate responsibility for risk management will rest with the full Board which monitors and manages material risks at each Board Meeting where it considers the Company's risk matrix.

The Board has adopted a formal Audit and Risk Management Committee Charter.

The Company manages risk pursuant to its Risk Management Policy.

(k) Remuneration and Nomination Committee

The Company will establish a separate Remuneration and Nomination Committee to ensure that the level and composition of remuneration provided to attract and retain high quality directors and employees is commercially appropriate and targeted to align with the interests of the Company and to ensure that the composition of the Board is appropriate, to consider succession issues and induct and evaluate the performance of the Board and its Committees..

The Board will ensure that no Director or senior executive will be involved in deciding his or her own remuneration.

The Board has adopted a formal Remuneration and Nomination Committee Charter.

## 7.5 Departures from Recommendations

The Company is required to report any departures from the Recommendations in its annual financial report.

The Company's departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

Principles and Recommendations	Explanation for Departure
<p><b>Recommendation 2.6:</b> Companies should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>Upon appointment, new directors will be subject to relevant induction procedures to provide the incoming individual with sufficient knowledge of the entity and its operating environment to enable them to fulfil their role effectively.</p> <p>The Board will, when it considers the Company to be of an appropriate size, implement a formal induction process that complies with Recommendation 2.6.</p>
<p><b>Recommendation 6.2:</b> Companies should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>The Company has not adopted a formal investor relations program, however it does seek to inform investors of developments regularly by communication through ASX announcements and by providing information on its website.</p> <p>Investors are encouraged to attend the Company's security holder meetings, and are able to contact management by phone on +61 8 6241 1866.</p>

## 8. Independent Limited Assurance Report





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18 April 2019

The Directors  
Eastern Goldfields Limited and its controlled entities (Subject to Deed of Company Arrangement)  
C/o Andrew Smith and Martin Jones  
Administrators  
Ferrier Hodgson

Dear Directors

## INDEPENDENT LIMITED ASSURANCE REPORT

### 1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Eastern Goldfields Limited and its controlled entities (Subject to Deed of Company Arrangement ('DOCA')) ('EGS' or 'Eastern Goldfields' or 'the Company' or 'the Group') to prepare this Independent Limited Assurance Report ('Report') in relation to certain financial information of EGS, for the offering of shares in EGS ('Offer'), for inclusion in a prospectus ('Prospectus'). Broadly, the Company is undertaking a capital raising of up to \$40 million (before costs) ('Capital Raising'). The Capital Raising is subject to a minimum subscription level of \$30 million (before costs).

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

### 2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

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BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

You have requested BDO to review the following historical financial information (together the 'Historical Financial Information') of EGS included in the Prospectus:

- the Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2017, 2018 and the six months ended 31 December 2017 and 2018; and
- the Statement of Financial Position as at 31 December 2018.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the financial reports of EGS for the half years ended 31 December 2017 and 31 December 2018 (which were reviewed by Ernst & Young in accordance with the relevant Australian Auditing Standards) and the years ended 30 June 2017 and 30 June 2018 (which were audited by Ernst & Young in accordance with the Australian Auditing Standards). Ernst & Young issued an unmodified review conclusion for the half years ended 31 December 2017 and 31 December 2018 and unmodified audit opinions on the financial reports for the years ended 30 June 2017 and 30 June 2018.

#### *Pro Forma Historical Financial Information*

You have requested BDO to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') of EGS:

- the pro forma historical Statement of Financial Position as at 31 December 2018.

The Pro Forma Historical Financial Information has been derived from the historical financial information of EGS, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by EGS to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on EGS' financial position as at 31 December 2018. As part of this process, information about EGS' financial position has been extracted by EGS from EGS' financial statements for the half-year ended 31 December 2018.

### **3. Directors' responsibility**

The directors of EGS are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

### **4. Our responsibility**

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our

engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

## 5. Conclusion

### *Historical Financial Information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the Statement of Profit or Loss and Other Comprehensive Income of EGS for the years ended 30 June 2017 and 2018 and the half-years ended 31 December 2017 and 2018; and
- the Statement of Financial Position of EGS as at 31 December 2018,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

### *Pro Forma Historical Financial information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of EGS as at 31 December 2018,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

## 6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred/ will occur subsequent to the period ended 31 December 2018:

- The Intermin Shares held as Financial Assets were sold with sales proceeds amounting to approximately \$828,000 resulting in a loss on sale of approximately \$117,000.
- Post 31 December 2018 the following costs have been incurred - Administrator costs of \$1 million, Trustee costs of \$0.175 million and operating costs of \$4.062 million - eliminating the cash balance held as at 31 December 2018.
- Post 31 December 2018 EGS also incurred \$800,000 in restructuring fees consisting of \$680,000 to KordaMentha and \$120,000 to Hawke's Point Legal Fees.
- Post 31 December 2018 EGS has entered into a \$650,000 recourse loan with Hawke's Point to fund the cash short fall due to ongoing operating costs.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of EGS not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

## **7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position**

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 31 December 2018, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under the Prospectus:

- EGS is undertaking a capital raising to raise no less than \$30 million and up to \$40 million (Capital Raising) which will be completed prior to the Company's Shares being reinstated to trading on ASX. The Capital Raising comprises:
  - a one for one non-renounceable entitlement offer priced at 1 cent per share to raise up to approximately \$7.6 million (Entitlement Offer);
  - an offer of shares not subscribed for under the Entitlement Offer, which is available to existing Shareholders and new investors (Shortfall Offer);
  - an offering of convertible notes (New Convertible Notes) raising up to \$38.1 million (the amount to be reduced to the extent that existing Eligible Shareholders take up their entitlements under the Entitlement Offer and Shortfall Offer and new investors to subscribe for Shares under the Shortfall Offer and Placement Offer); and
  - an offer of shares priced at 1 cent per share to raise up to \$4 million, with the shares to be issued following receipt of Shareholder approval (Placement Offer).
- Costs of the Offer are estimated to be \$1.440 million (for the minimum raise) which are to be offset against the contributed equity;
- Other Pro-forma adjustments comprising:
  - Settlement of Trade and other payables amounting to \$45.372 million (per the Deed of Company Arrangement);
  - Settlement of Loans and Borrowings amounting to \$32.585 million (per the Deed of Company Arrangement);
  - Reduction of Current Provision for Onerous lease and Employee Entitlements totaling \$1.104 million; and
  - Reduction of Non-Current Provision for Onerous lease of \$2.506 million.

## **8. Independence**

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Offer other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

## 9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

**BDO Corporate Finance (WA) Pty Ltd**



**Sherif Andrawes**

**Director**

APPENDIX 1

EASTERN GOLDFIELDS LIMITED (Subject to Deed of Company Arrangement)  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Statement of Comprehensive Income	Historical for the half year ended 31-Dec-18 \$'000	Historical for the year ended 30-Jun-18 \$'000	Historical for the half year ended 31-Dec-17 \$'000	Historical for the year ended 30-Jun-17 \$'000
<b>Revenue</b>				
Sales revenue	6,094	16,152	3,659	-
Cost of sales	(8,342)	(33,310)	(7,228)	-
<b>Gross profit</b>	<b>(2,248)</b>	<b>(17,158)</b>	<b>(3,569)</b>	<b>-</b>
Other income	(307)	(33)	-	-
<b>Expenses</b>				
General and administration	(7,545)	(54,079)	(4,912)	(6,316)
Other operating expenses	(5,604)	(12,379)	(7,547)	(11,010)
<b>Loss from continuing operations before income tax</b>	<b>(15,704)</b>	<b>(83,649)</b>	<b>(16,028)</b>	<b>(17,326)</b>
Finance income	-	2	1	5
Finance costs	(1,863)	(2,743)	(913)	(777)
<b>Loss before income tax</b>	<b>(17,567)</b>	<b>(86,390)</b>	<b>(16,940)</b>	<b>(18,098)</b>
Income tax (expense)/benefit	44	468	207	-
<b>Loss after income tax</b>	<b>(17,523)</b>	<b>(85,922)</b>	<b>(16,733)</b>	<b>(18,098)</b>
Changes in fair value of available for sale assets, net of tax	103	1,666	545	(3)
Income tax relating to this item	-	(468)	-	-
Cash flow hedges	-	(271)	(350)	271
<b>Total comprehensive loss for the year</b>	<b>(17,420)</b>	<b>(84,995)</b>	<b>(16,538)</b>	<b>(17,830)</b>

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of Eastern Goldfields and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

**APPENDIX 2**  
**EASTERN GOLDFIELDS LIMITED (Subject to Deed of Company Arrangement)**  
**PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	EGS		Balance sheet after sub events \$'000	Pro-forma adjustments Min \$'000	Pro-forma adjustments Max \$'000	Pro-forma after Offer Min \$'000	Pro-forma after Offer Max \$'000
		as at 31-Dec-18 \$'000	Subsequent events \$'000					
<b>Current Assets</b>								
Cash and cash equivalents	2	2,759	(2,759)	-	15,213	24,733	15,213	24,733
Trade and other receivables		121	-	121	-	-	121	121
Inventories		79	-	79	-	-	79	79
<b>Total Current Assets</b>		<b>2,959</b>	<b>(2,759)</b>	<b>200</b>	<b>15,213</b>	<b>24,733</b>	<b>15,413</b>	<b>24,933</b>
<b>Non-Current Assets</b>								
Trade and other receivables		64	-	64	-	-	64	64
Mine properties		38,460	-	38,460	-	-	38,460	38,460
Financial assets	3	945	(945)	-	-	-	-	-
<b>Total Non-Current Assets</b>		<b>39,469</b>	<b>(945)</b>	<b>38,524</b>	<b>-</b>	<b>-</b>	<b>38,524</b>	<b>38,524</b>
<b>Total Assets</b>		<b>42,428</b>	<b>(3,704)</b>	<b>38,724</b>	<b>15,213</b>	<b>24,733</b>	<b>53,937</b>	<b>63,457</b>
<b>Current Liabilities</b>								
Trade and other payables	4	44,372	1,000	45,372	(45,372)	(45,372)	-	-
Loans and borrowings	5	31,935	650	32,585	(32,585)	(32,585)	-	-
Provisions	6	1,104	-	1,104	(1,104)	(1,104)	-	-
<b>Total Current Liabilities</b>		<b>77,411</b>	<b>1,650</b>	<b>79,061</b>	<b>(79,061)</b>	<b>(79,061)</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>								
Provision for rehabilitation	7	18,289	-	18,289	(2,506)	(2,506)	15,783	15,783
<b>Total Non-Current Liabilities</b>		<b>18,289</b>	<b>-</b>	<b>18,289</b>	<b>(2,506)</b>	<b>(2,506)</b>	<b>15,783</b>	<b>15,783</b>
<b>Total Liabilities</b>		<b>95,700</b>	<b>1,650</b>	<b>97,350</b>	<b>(81,567)</b>	<b>(81,567)</b>	<b>15,783</b>	<b>15,783</b>
<b>Net Assets</b>		<b>(53,272)</b>	<b>(5,354)</b>	<b>(58,626)</b>	<b>96,780</b>	<b>106,300</b>	<b>38,154</b>	<b>47,674</b>
<b>Equity</b>								
Contributed equity	8	287,168	-	287,168	63,662	73,082	350,830	360,250
Accumulated losses	9	(353,778)	(5,354)	(359,132)	32,888	32,888	(326,244)	(326,244)
Reserves	10	13,338	-	13,338	230	330	13,568	13,668
<b>Total Equity</b>		<b>(53,272)</b>	<b>(5,354)</b>	<b>(58,626)</b>	<b>96,780</b>	<b>106,300</b>	<b>38,154</b>	<b>47,674</b>

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this share offering. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 3

EASTERN GOLDFIELDS LIMITED (Subject to Deed of Company Arrangement)

HISTORICAL STATEMENTS OF CASHFLOWS

Consolidated Statement of Cash Flows	Historical for the half year ended 31-Dec-18 \$'000	Historical for the year ended 30-Jun-18 \$'000	Historical for the half year ended 31-Dec-17 \$'000	Historical for the year ended 30-Jun-17 \$'000
<b>Cash flows from operating activities:</b>				
Receipts from customers	6,094	16,152	3,659	-
Payments to suppliers and employees	(12,877)	(42,798)	(9,680)	(18,159)
Interest received	-	2	1	5
Interest paid	(184)	(761)	(434)	(499)
<b>Net cash flows from operating activities</b>	<b>(6,967)</b>	<b>(27,405)</b>	<b>(6,454)</b>	<b>(18,653)</b>
<b>Cash flows from investing activities:</b>				
Payments for capitalised exploration expenses	-	(53)	-	-
Payments for mine properties	(1,565)	(10,887)	(3,223)	(27,754)
Investments in available for sale assets	2,386	(74)	-	(1,500)
<b>Net cash flows from investing activities</b>	<b>821</b>	<b>(11,014)</b>	<b>(3,223)</b>	<b>(29,254)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from borrowings	8,900	15,102	9,675	17,627
Repayment of borrowings	-	(8,006)	(90)	(2,155)
Proceeds from issue of share capital (net)	-	31,284	131	17,078
<b>Net cash flows from financing activities</b>	<b>8,900</b>	<b>38,380</b>	<b>9,716</b>	<b>32,550</b>
Net increase/(decrease) in cash held	2,754	(39)	39	(15,357)
Cash and cash equivalents at beginning of period	5	44	44	15,401
<b>Cash and cash equivalents at the end of the period</b>	<b>2,759</b>	<b>5</b>	<b>83</b>	<b>44</b>

The Historical Statement of Cash Flows shows the historical consolidated cash flows of Eastern Goldfields and are to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

## APPENDIX 4

### EASTERN GOLDFIELDS LIMITED (Subject to Deed of Company Arrangement) NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

##### a. Basis of preparation

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

##### b. Going Concern

As at 31 December 2018, the Group's current liabilities exceeded its current assets by \$74,452,000 and the Group's equity deficiency totalled (\$53,272,000). The Group recorded a consolidated loss after tax of \$17,523,000 for the six months to 31 December 2018 (31 December 2017: consolidated loss after income tax of \$16,733,000).

As outlined in the Director's Report, the Directors of the Group appointed Voluntary Administrators on 29 November 2018. Following their appointment, the Administrators received a Deed of Company Arrangement ('DOCA') proposal from Hawkes Point I Limited (see Note 11) which was put to creditors and approved on 1 February 2019. The DOCA was subsequently executed by the Group on 12 February 2019.

The ability of the Group to continue as a going concern is primarily dependent upon:

The Group undertaking a capital raising to raise an amount of not less than \$22 million, as contemplated by the DOCA;

All terms and conditions of the DOCA being satisfied, including obtaining necessary regulatory and shareholder approvals, including from ASIC and ASX; and

The Group's Davyhurst operations remaining on care and maintenance for 18 months from the date of the capital raising.

At the date of these interim financial statements, the Group has:

Executed the DOCA whereby if the terms and conditions are satisfied all the Group's secured creditors will be issued shares to convert the entire value of their claim to equity; all supporting creditors will receive 22 cents in the dollar for 60% of each supporting creditor's claim, with 40% of their respective claims being converted into equity at a conversion price of 1 cent per share and all remaining creditors to be paid out of a separately established trust to be funded up to an amount of \$7.3 million from the capital raising;

Signed a mandate letter with Hartleys Limited in relation to the capital raising referred to above, to raise a minimum of \$22 million; and

As part of the DOCA, Hawke's Point I Limited will underwrite 25% of the capital raising.

The Director believes that at the date of signing the financial report, and with the Group's Davyhurst facility remaining on care and maintenance, there are reasonable grounds to believe that having regard to the matters set out above, the Group will be able to continue as a going concern.

#### **New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the historical financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2018, except for the new policies resulting from the adoption of new standards effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 9 Financial Instruments. As required by AASB 134, the nature and effect of these changes are disclosed below.

#### **AASB 15 Revenue from Contracts with Customers**

AASB 15 and its related amendments supersede AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations. It applies to all revenue arising from contracts with its customers and became effective for annual periods beginning on or after 1 January 2018. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers. It requires revenue to be recognised when (or as) control of a good or service transfers to a customer at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires enhanced and extensive disclosures about revenue to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group adopted AASB 15 using the full retrospective method of adoption. The effect of adopting AASB 15 is set out below.

#### **Overall impact**

The Group's revenue comprises one main stream being the sale of gold bullion to one customer, the Perth Mint. The Group undertook an analysis of the impact of the new revenue standard based on a review of the terms of its principal revenue stream with the focus being to understand whether the timing and amount of revenue recognised could differ under AASB 15.

Under AASB 118, revenue from the sale of gold bullion is recognised when control is transferred to the Perth Mint. This occurs when the Perth Mint accepts the risks and rewards associated the product. All performance obligations are satisfied at this time. With these arrangements, there are no advance payments received from the Perth Mint. A transaction price is determined at outturn by virtue of a deal confirmation received from the Perth Mint and there are no further adjustments to this price. For the Group's principal revenue stream, the nature and timing of satisfaction of the performance

obligations, and, hence, the amount and timing of revenue recognised under AASB 15, is the same as that under AASB 118.

As a result of the above, there were no changes to the Group's existing revenue recognition policy. In addition, there were no impacts on the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, consolidated statement of cashflows or earnings per share ('EPS').

#### **AASB 16 Leases**

AASB 16 replaces IAS 17, Leases and its related interpretations. For lessees, the standard presents a unified model for the accounting treatment of most leases according to which the lessee has to recognize an asset and liability in respect of the lease in its financial statements. AASB 16 is applicable for annual periods as of January 1, 2019, with the possibility of early adoption, so long as the company has also early adopted AASB 15, Revenue from Contracts with Customers. The Company has examined the effects of applying AASB 16, and in its opinion the effect on the financial statements will be immaterial.

#### **AASB 9 Financial Instruments**

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied AASB 9 retrospectively, with the initial application date of 1 January 2018 and has adjusted the comparative information for the period beginning 1 July 2017, where necessary. There were no material impacts on the comparative balances other than a change in classification of some receivables.

The effects of adopting AASB 9 are set out below.

##### ***(i) Classification and measurement***

Under AASB 9, there is a change in the classification and measurement requirements relating to financial assets. Previously, there were four categories of financial assets: loans and receivables, fair value through profit or loss, held to maturity and available for sale. Under AASB 9, financial assets are either classified as amortised cost, fair value through profit or loss or fair value through other comprehensive income.

For debt instruments, the classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' (SPPI) on the principal amount outstanding.

### Financial Assets

The Group continues to measure, at fair value, all financial assets previously held at fair value under AASB 139. The following are the changes in the classification of the Group's financial assets:

- Trade receivables, Related Party Receivables and Other Receivables, previously classified as Loans and receivables - these were assessed as being held to collect contractual cash flows and give rise to cash flows representing SPPI. These are now classified and measured at amortised cost. The Group has no receivables which are subject to provisional pricing;
- Financial Assets previously classified as available for sale with changes in fair value recognised in reserves - these continue to be measured at fair value, with the Group making an irrevocable election to designate all changes in fair value to be recognised in other comprehensive income.

In summary, upon adoption of AASB 9, the Group had the following required reclassifications for financial assets:

As at 30 June 2018

	AASB 9 Measurement Category			
		FVTPL	Amortised Cost	FVTOCI
AASB 139 measurement category	\$'000	\$'000	\$'000	\$'000
<b>Loans and receivables</b>				
Trade and Other Receivables	325	-	325	-
<b>Available for sale</b>				
Quoted equity investments	3,845	-	-	3,845
Derivative financial instruments – listed options	119	119	-	-
	<b>4,289</b>	<b>119</b>	<b>325</b>	<b>3,845</b>

For AASB 9, the only impact on the consolidated statement of profit or loss would be if there was a credit loss allowance required. As set out under 'Impairment' (refer below), the Group states that there is no material impact on the amounts recognised in the financial statements so there should be no impact on the consolidated statement of profit or loss on adoption of AASB 9.

### Financial Liabilities

Other than derivative financial liabilities, the Group has not designated any financial liabilities as at fair value through the profit or loss. There are no changes in classification or measurement of the Group's financial liabilities.

#### (ii) Impairment

The adoption of AASB 9 has changed the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Group to recognise an allowance for ECLs for financial assets not held at fair value through profit or loss.

As all of the Group's trade receivables and other current receivables which the Group measures at amortised cost are short term (ie: less than 12 months), the change to a forward-looking ECL approach did not have a material impact on the amounts recognised in the financial statements.

**(iii) Hedge Accounting**

The Group has elected to adopt the new general hedge accounting model under AASB 9. At the date of initial application all of the Group's existing hedge relationships were eligible to be treated as continuing hedging relationships. However, the changes introduced by AASB 9 relating to hedge accounting currently have no material impact on the Group given the minimal hedging arrangements currently in place.

**AASB 2016-5 Amendments to Australian Accounting Standards - Classification and Measurement of Share Based Payment Transactions**

This Standard amends AASB 2 Share Based Payments, that addresses three main areas: the effects of vesting conditions on the measurement of a cash settled share based payment transaction; the classification of a share based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. This standard is effective for annual periods commencing on or after 1 January 2018.

The Group has no share-based payment transactions with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share based payment transactions. Therefore, these amendments do not have a material impact on the Group's consolidated financial statements.

**c. Summary of Significant Accounting Policies**

**(i) Financial assets**

**Initial recognition**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at

an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss.

#### ***Financial assets at amortised cost***

Financial assets at amortised cost are subsequently measured using the effective interest rate ('EIR') method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables, related party receivables and other receivables.

#### ***Financial assets designated at fair value through OCI***

The Group's financial assets that have been designated at fair value through OCI only include shares in entities listed on the Australian Securities Exchange ('ASX').

#### ***Other financial assets***

The Group does not have any other financial assets at fair value through OCI or any other financial assets at fair value through profit or loss.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

### **Impairment**

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by AASB 9. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and forward-looking information.

## **(ii) Financial liabilities**

### **Initial recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, accruals and interest-bearing loans and borrowings.

### **Subsequent measurement**

#### ***Loans and borrowings***

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to interest-bearing loans and borrowings and trade and other payables.

#### ***Financial liabilities at fair value through the profit or loss***

Movements in fair values of derivatives designated as hedging instruments in an effective hedge are recognised within other comprehensive income.

## Derecognition

A financial liability is derecognised when the associated obligation is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

	As at 31-Dec-18	Pro-forma after Offer Min	Pro-forma after Offer Max
NOTE 2. CASH AND CASH EQUIVALENTS	\$'000	\$'000	\$'000
Cash and cash equivalents	2,759	15,213	24,733
Reviewed balance of EGS at 31-Dec-18		2,759	2,759
<i>Subsequent events</i>			
Proceeds from Share sale		828	828
Proceeds from Hawke's Point Recourse Loan		650	650
Administrators Reimbursement Funds		1,000	1,000
Trustees' Costs		(175)	(175)
Administrator Costs		(1,000)	(1,000)
Operating cost incurred post year end		(4,062)	(4,062)
<i>Pro-forma adjustments:</i>			
Proceeds from shares issued under this Prospectus		30,000	40,000
Capital raising costs		(1,440)	(1,920)
		28,560	38,080
<i>Less the follow repayments:</i>			
Trade and other payables		(10,022)	(10,022)
Loans and Borrowings		(2,021)	(2,021)
Employee Entitlements provisions		(150)	(150)
Onerous Lease provisions		(354)	(354)
Restructuring Fees		(800)	(800)
Pro-forma Balance		15,213	24,733

	As at 31-Dec-18	After subsequent event
	\$'000	\$'000
<b>NOTE 3. FINANCIAL ASSETS</b>		
Financial Assets	945	-
<i>Balance as at 31 December 2018</i>		945
<i>Subsequent Event</i>		
Sale of Interim Shares		(828)
Loss on sale of Interim Shares		(117)
Pro-forma Balance		-

	As at 31-Dec-18	Pro-forma after Offer	Pro-forma after Offer
	\$'000	Min \$'000	Max \$'000
<b>NOTE 4. TRADE AND OTHER PAYABLES</b>			
Trade and other payables	44,372	-	-
<i>Balance as at 31 December 2018</i>		44,372	44,372
<i>Subsequent Event</i>			
Administrators Reimbursement Funds		1,000	1,000
<i>Pro-forma repayments</i>			
Cash Repayments		(10,022)	(10,022)
Share repayments		(13,931)	(13,931)
Debt forgiven		(21,419)	(21,419)
Pro-forma Balance		-	-

	Reviewed as at 31-Dec-18 \$'000	Pro-forma after Offer Min \$'000	Pro-forma after Offer Max \$'000
<b>NOTE 5. LOANS AND BORROWINGS</b>			
Loans and Borrowings	31,935	-	-
<i>Balance as at 31 December 2018</i>		31,935	31,935
<i>Subsequent Event</i>			
Additional Hawke's Point Recourse Loan		650	650
Pro-forma repayments			
Cash Repayments		(2,021)	(2,021)
Share repayments		(20,700)	(20,700)
Debt forgiven		(9,864)	(9,864)
Pro-forma Balance		-	-

	As at 31-Dec-18 \$'000	Pro-forma after Offer Min \$'000	Pro-forma after Offer Max \$'000
<b>NOTE 6. CURRENT PROVISIONS</b>			
Current Provisions	1,104	-	-
<i>Balance as at 31 December 2018</i>		1,104	1,104
Pro-forma repayments			
Cash repayments		(248)	(248)
Debt forgiven		(856)	(856)
Pro-forma Balance		-	-

	As at 31-Dec-18 \$'000	Pro-forma after Offer Min \$'000	Pro-forma after Offer Max \$'000
<b>NOTE 7. NON-CURRENT PROVISIONS</b>			
Non-Current Provisions	18,289	15,783	15,783
<i>Balance as at 31 December 2018</i>		18,289	18,289
Pro-forma repayments			
Cash repayments		(256)	(256)
Debt forgiven		(2,250)	(2,250)
Pro-forma Balance		15,783	15,783

	As at 31-Dec-18	Pro-forma after Offer	Pro-forma after Offer
	\$'000	Min \$'000	Max \$'000
<b>NOTE 8. CONTRIBUTED EQUITY</b>			
Contributed equity	287,168	350,830	360,250
	Number of shares (for Min)	\$'000	\$'000
Fully paid ordinary share capital of EGS at 31 December 2018	761,784,750	287,168	287,168
	761,784,750	287,168	287,168
<i>Pro-forma adjustments:</i>			
1:1 Rights @ 1c	761,784,750	7,618	7,618
New Secured Con Notes/Placement Shares @ 1c	2,238,220,000	22,382	32,382
Supporting creditors' debts	1,393,103,932	13,931	13,931
Secured creditors' debts	2,070,006,195	20,700	20,700
Capital raising costs		(1,440)	(1,920)
Advisor Options		(230)	(330)
Shares issued to Advisors	30,000,000	300	300
Ancillary Shares	20,000,000	200	200
Additional interest on New Con Notes	20,144,877	201	201
	6,533,259,754	63,662	73,082
Pro-forma Balance	7,295,044,504	350,830	360,250

	As at 31-Dec-18	Pro-forma after Offer	Pro-forma after Offer
	\$'000	Min \$'000	Max \$'000
<b>NOTE 9. ACCUMULATED LOSSES</b>			
Accumulated Losses	(353,778)	(326,244)	(326,244)
<i>Balance as at 31 December 2018</i>		(353,778)	(353,778)
<i>Subsequent Events</i>			
Loss on sale of shares		(117)	(117)
Trustees' Costs		(175)	(175)
Administrator Costs		(1,000)	(1,000)
Other operating costs incurred post 31 December		(4,062)	(4,062)
Restructuring Fees		(800)	(800)
<i>Pro-forma adjustments:</i>			
Debts forgiven		34,389	34,389
Managers Fee		(300)	(300)
Ancillary shares		(200)	(200)
Additional interest on New Con Notes		(201)	(201)
		27,534	27,534
Pro-forma Balance		(326,244)	(326,244)
	As at 31-Dec-18	Pro-forma after Offer	Pro-forma after Offer
	\$'000	Min \$'000	Max \$'000
<b>NOTE 10. RESERVES</b>			
Reserves	13,338	13,568	13,668
<i>Balance as at 31 December 2018</i>		13,338	13,338
<i>Pro-forma adjustments:</i>			
Advisor Options cost of raising		230	330
		230	330
Pro-forma Balance		13,568	13,668

**NOTE 11: RELATED PARTY DISCLOSURES**

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

**NOTE 12: COMMITMENTS AND CONTINGENCIES**

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.



**CSA Global**  
Mining Industry Consultants

## TECHNICAL REVIEW

### Independent Technical Assessment and Valuation of Eastern Goldfields Mineral Assets in Western Australia

CSA Global Report N° 122.2019

[www.csaglobal.com](http://www.csaglobal.com)



### Report prepared for

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Project Name/Job Code	EGSITV01
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## Executive Summary

CSA Global Pty Ltd (CSA Global) was commissioned by BDO Corporate Finance (WA) Ltd (BDO) to prepare an independent Technical Assessment Report and Valuation of the Eastern Goldfields Limited (Administrator appointed) (EGS or the Company) mineral assets in Western Australia. BDO was in turn commissioned by EGS's administrator, Ferrier Hodgson.

This independent technical assessment and valuation report ("the Report") was prepared for BDO and provides an opinion to support an Independent Expert's Report to be prepared by BDO. This Report has been prepared as a public document, in the format of an independent technical specialist's report and has been prepared in accordance with the JORC<sup>1</sup> and VALMIN<sup>2</sup> codes.

The Report provides a review of EGS's mineral assets and provides a technical valuation of these mineral assets. CSA Global has used a range of valuation methodologies to reach a conclusion on the value of the mineral assets. Note that the valuation is of the EGS's mineral assets and not the value of EGS as a company.

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 29 March 2019 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

CSA Global's valuations are based on information provided by EGS and public domain information. CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which this Report is based. No audit of any financial data has been conducted. The valuations discussed in this Report have been prepared at a valuation date of 29 March 2019. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

### Administrators

On 29 November 2018, Martin Bruce Jones and Andrew Michael Smith (Administrators) were appointed as administrators to EGS pursuant to Part 5.3A of the Corporations Act. This Report represents an agreement between EGS and CSA Global, and not an agreement with the Administrators of EGS. To the fullest extent permitted by law, the Administrators incur no personal liability under or in connection with this Engagement Letter and CSA Global releases and discharges the Administrators from all claims and present and future liabilities in respect of this Engagement Letter, and irrevocably covenants not to pursue the Administrators in respect of the same.

### Background

Directors of EGS have appointed Martin Jones and Andrew Smith of Ferrier Hodgson as Joint and Several Voluntary Administrators to work with the directors in reviewing EGS's operations (which are currently the subject of care and maintenance) and financial position, including conferral with the EGS stakeholders to formulate potential strategies to preserve and restructure EGS and its underlying operations.

EGS is a gold exploration and production company and owner of the Davyhurst-Mount Ida Project in the prospective Eastern Goldfields region of Western Australia, as outlined in the solicitors report prepared by DLA Piper Australia of 29 March 2019, upon which CSA Global has relied. The project is located 120 km

<sup>1</sup> Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC)

<sup>2</sup> Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, 2015 edition, prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists



northwest of Kalgoorlie and is host to multiple gold deposits; total resources are reported to be 1.8 Moz at an average grade of 2.6 g/t Au. The tenements are also considered prospective for nickel and copper deposits by EGS.

EGS has existing processing infrastructure in place, including a 1.2 Mt/a processing plant, two camps (Davyhurst Central and Mount Ida), mains power and working borefields; and potential exploration upside from its significant tenement position (approximately 136 tenements covering 1,800 km<sup>2</sup>, 200 km strike length).

CSA Global's assessment of EGS's projects is an independent technical review and valuation of their operations, to support an Independent Expert's Report for the Administrators. The scope of work includes reviews of:

- The existing Mineral Resource and Ore Reserves, a combination of about 28 different project estimates, variably reported in accordance with the 2004 and 2012 JORC Code
- Any existing mine plans and schedules
- The exploration potential of the tenement package.

EGS has developed a mine plan which prioritises the Golden Eagle underground deposit in the Central Davyhurst Project, and the Sand King and Missouri open pit deposits in the Siberia Project. CSA Global has reviewed the mine plan and is of the view that while the quantum of the inputs and assumptions to the mine plan are consistent with the size and nature of the projects, they have not yet attained a level of confidence and certainty that will allow this mine plan to form the basis of a cash flow valuation. Testing and validation of these inputs is underway, and CSA Global anticipates that it may be possible to apply income-based valuation approaches, once Ore Reserves can be declared in accordance with the 2012 Edition of the JORC Code.

The Sand King and Missouri deposits have been assessed as pre-development projects as defined in the VALMIN Code, with Mineral Resources reported in accordance with JORC Code (2012) criteria. CSA Global regards Golden Eagle, Riverina, Callion and Waihi deposits as pre-development projects, and has accepted the current EGS-reported estimates as reasonable proxies for estimates in progress, which are being prepared in accordance with criteria of the JORC Code (2012), but not yet declared. For the purpose of valuation in this Report, these are considered Group 1 assets.

Lower priority projects include the Lady Gladys, Forehand, Silver Tongue, Walhalla, Walhalla North, Mount Banjo, Macedon, Baldock, Meteor, and Whinnen deposits; these have also been assessed as less advanced pre-development projects. For the purpose of valuation in this Report, these are considered Group 2 assets.

The deposits at Lights of Israel Underground, Makai Shoot, Sunraysia, Palmerston/Camperdown, Bewick Moreing, Black Rabbit, Thiel Well, Federal Flag, Salmon Gums, Iguana, and Lizard are considered to be longer term development assets, or advanced exploration projects in terms of the VALMIN Code. For the purpose of valuation in this Report, these are considered Group 3 assets.

Table 1: CSA Global's grouping\* of EGS's Mineral Resources

Group	Mineral Resource
1	Sand King, Missouri (reported in accordance of the JORC Code 2012) Golden Eagle, Waihi, Callion, Riverina Area (considered to be the equivalent to JORC Code 2012)
2	Lady Gladys, Forehand, Silver Tongue, Walhalla, Walhalla North, Mount Banjo, Macedon, Baldock, Meteor, Whinnen
3	Lights of Israel Underground, Makai Shoot, Sunraysia, Palmerston/Camperdown, Bewick Moreing, Black Rabbit, Thiel Well, Federal Flag, Salmon Gums, Iguana, Lizard

\* On the basis of confidence



Tenement information on EGS's tenements was provided by independent legal firm, DLA Piper Australia (DLA). CSA Global relies on the independent opinion of DLA dated 29 March 2019 (please see [Appendix D](#) for summary listing of tenements), with regards to the validity, ownership, and standing of EGS's tenements. CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so.

### **Golden Eagle**

EGS staff are developing a Mineral Resource estimate for Golden Eagle, with the aim to report this model in accordance with the JORC Code (2012) upon completion. The resource interpretation was defined on grade with the quartz-feldspar lode (QFL) and schist units guiding the shape and orientation of mineralised lodes. The mineralisation envelope was based on a 3.5 g/t cut-off, to reflect underground mining methods.

CSA Global has reviewed Golden Eagle for critical issues that may have an impact on its valuation and has found no material concerns, or fatal flaws. The existing published Golden Eagle estimate has been accepted by CSA Global as a proxy for the internal estimate underway by EGS staff. CSA Global is satisfied that the order of magnitude similarities in tonnage, grade and confidence classification are acceptable in the context of its valuation. CSA Global considered this to be a Group 1 deposit for the purpose of its valuation.

### **Sand King and Missouri**

Both Sand King and Missouri deposits are suited to open pit extraction and have been modelled appropriately to reflect the geological controls on mineralisation. CSA Global has reviewed the 2017 EGS Sand King and 2016 Missouri estimates for critical issues that may have an impact on its valuation and has found no material concerns, or fatal flaws. Both estimates have been accepted by CSA Global as estimates reported in accordance with the requirements of the JORC Code (2012). CSA Global considered these to be Group 1 deposits for the purpose of its valuation.

### **Callion, Waihi and Riverina**

CSA Global has reviewed the unpublished Callion, Waihi and Riverina estimates for critical issues that may impact on its valuation and has found no material concerns, or fatal flaws. The existing published estimates have been accepted by CSA Global as a proxy for the internal unpublished estimates that are currently being reviewed by EGS staff. CSA Global is satisfied that the order of magnitude similarities in tonnage, grade and confidence classification are acceptable in the context of its valuation. CSA Global has considered these to be Group 1 deposits for the purpose of its valuation.

### **Remaining Deposits**

Lower priority projects include the Lady Gladys, Forehand, Silver Tongue, Walhalla, Walhalla North, Mount Banjo, Macedon, Baldock, Meteor, and Whinnen deposits. These have also been assessed as less advanced pre-development projects, where the tonnes and grades reported in EGS's Mineral Resources summary have been considered by CSA Global to be the equivalent to Inferred Mineral Resources for the purpose of its valuation and are considered to be Group 2 deposits.

These estimates have not been reviewed in detail recently by EGS staff, but there are significant numbers of drillholes for each deposit in the database, to support future estimates once the quality and accuracy of the data can be verified and quantified.

The deposits at Lights of Israel Underground, Makai Shoot, Sunraysia, Palmerston/Camperdown, Bewick Moreing, Black Rabbit, Thiel Well, Federal Flag, Salmon Gums, Iguana, and Lizard are considered to be longer term development assets, or advanced exploration projects in terms of the VALMIN Code. These



deposits also have data in the database or a history of mining extraction to substantiate the presence of brownfields exploration sites.

### Exploration Potential

Exploration opportunities in the greater Davyhurst area include targeting extensions to the known mineralised trends such as the Waihi and Python trends. A greater understanding of the geometry and structural controls of the mineralisation within the previously mined open pits, would allow drill targeting of potential down-plunge extensions. The primary focus for EGS has been drilling to validate its substantial historical database over all the tenement holdings, and to improve the confidence of mineral resource definition to allow mineral resource estimates to be updated and reported in accordance with the JORC Code (2012). Plans for regional exploration and to identify extensions of existing deposits have been a lower priority for exploration expenditure. CSA Global has reviewed EGS's exploration strategy and is satisfied that it is a reasonable approach to adopt for an extensive tenement holding of this nature.

### Mining Assessment

CSA Global is satisfied that the proposed mine plans in the deposits which formed the primary focus for the review, Sand King and Missouri deposits in the Siberia mining area and Riverina, Golden Eagle, Waihi and Callion deposits in the Davyhurst mining area, are amenable to mining activities subject to appropriate engineering and economic considerations, and is satisfied that potential for eventual economic extraction has been demonstrated.

### Valuation

CSA Global has observed that transactions of Mineral Resources from companies in administration (i.e. distressed seller), generally attract lower value multiples per ounce than transactions between a willing buyer and a willing seller. To indicate the difference observed between a distressed seller and a willing seller, CSA Global also presents a technical value for the mineral assets while in administration, in addition to the market value.

The valuation was primarily undertaken using comparable transactions, 57 gold mineral resource transactions (including eight for mineral resources from companies in administration) were considered. Ten of these transactions (three in administration) had old mining plant and infrastructure associated with them; in CSA Global's opinion, the value of the plant in these cases was immaterial due to the time since it had last operated, in most cases being several years. The valuation has not taken the rehabilitation provision liability into account.

CSA Global's opinion on the Technical Value of EGS's Australian mineral assets, while in administration, as at the valuation date, is that it lies within a range of A\$10.2 million to A\$36.3 million, with a preferred value of A\$22.8 million (Table 2).

Table 2: Summary technical valuation of EGS's mineral assets while in administration

Mineral asset	Equity (%)	Valuation (A\$ millions)			Reference table
		Low	Preferred	High	
Mineral Resources	100	8.2	17.1	26.0	Table 10
Brownfields Potential	100	0.4	1.0	1.5	Table 11
Exploration Tenements	100	0.2	1.2	2.1	Table 16
Prospecting Tenements	100	0.1	0.5	0.8	Table 21
Mining Tenements	100	1.2	3.1	5.1	Table 26
<b>Total</b>	<b>100</b>	<b>10.2</b>	<b>22.8</b>	<b>35.5</b>	-

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.



CSA Global's opinion on the Market Value of EGS's Australian mineral assets in accordance with ASIC RG111.15 and the VALMIN Code as at the valuation date, is that it lies within a range of A\$25.5 million to A\$41.8 million with a preferred value of A\$33.6 million (Table 3).

Table 3: Summary market valuation of EGS's mineral assets

Mineral asset	Equity (%)	Valuation (A\$ millions)			Reference table
		Low	Preferred	High	
Mineral Resources	100	20.4	25.5	30.6	Table 8
Brownfields Potential	100	1.1	1.4	1.8	Table 9
Exploration Tenements	100	0.6	1.5	2.4	Table 15
Prospecting Tenements	100	0.3	0.6	1.0	Table 20
Mining Tenements	100	3.0	4.5	6.0	Table 25
<b>Total</b>	<b>100</b>	<b>25.4</b>	<b>33.6</b>	<b>41.8</b>	-

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.



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# 1 Introduction

## 1.1 Context, Scope and Terms of Reference

Eastern Goldfields Limited (Administrator appointed) (EGS or the “Company”) is a gold exploration and production company and owner of the Davyhurst-Mount Ida Project in the prospective Eastern Goldfields region of Western Australia, as outlined in the solicitors report prepared by DLA of 29 March 2019, upon which CSA Global has relied. The project is located 120 km northwest of Kalgoorlie and is host to multiple gold deposits; total resources are reported to be 1.8 Moz at an average grade of 2.6 g/t Au. The tenements are also considered prospective for nickel and copper deposits by EGS.

EGS has existing processing infrastructure in place, including a 1.2 Mt/a processing plant, two camps (Davyhurst Central and Mount Ida), mains power and working borefields; and potential exploration upside from its significant tenement position (approximately 136 tenements covering 1,800 km<sup>2</sup>, 200 km strike length).

On 29 November 2018, Martin Bruce Jones and Andrew Michael Smith (Administrators) of Ferrier Hodgson were appointed as administrators to EGS pursuant to Part 5.3A of the Corporations Act. BDO Corporate Finance (WA) Ltd (BDO) was in turn commissioned by EGS’s administrator, Ferrier Hodgson. CSA Global Pty Ltd (CSA Global) was commissioned by BDO to prepare an independent Technical Assessment Report and Valuation of EGS’s mineral assets in Western Australia.

This Report represents an agreement between EGS, BDO and CSA Global, and not an agreement with the Administrators of EGS. To the fullest extent permitted by law, the Administrators incur no personal liability under or in connection with this Engagement Letter and CSA Global releases and discharges the Administrators from all claims and present and future liabilities in respect of this Engagement Letter, and irrevocably covenants not to pursue the Administrators in respect of the same.

This independent technical assessment and valuation report (the “Report”) was prepared for BDO and provides an opinion to support an Independent Expert’s Report to be prepared by BDO. This Report has been prepared as a public document, in the format of an independent technical specialist’s report and has been prepared in accordance with the JORC and VALMIN codes.

The Report provides a review of EGS’s mineral assets and provides a technical valuation of these mineral assets. CSA Global has used a range of valuation methodologies to reach a conclusion on the value of the mineral assets. Note that the valuation is of EGS’s mineral assets and not the value of EGS as a company.

## 1.2 Compliance with the VALMIN and JORC Codes

The Report has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and the Australian Securities Exchange (ASX) that pertain to Independent Expert’s Reports.

The authors have taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

## 1.3 Principal Sources of Information

The Report has been based on information available up to and including 29 March 2019. The information was provided to CSA Global by EGS, or has been sourced from the public domain, and includes both



published and unpublished technical reports prepared by consultants, and other data relevant to EGS's projects.

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which the Report is based.

Mr Neal Leggo of CSA Global undertook a two-day site visit to the Davyhurst Gold Project from 6 to 7 February 2019 in preparation of this Report. The site visit covered:

- 13 gold deposits with mineral resources: Golden Eagle, Lights of Israel, Makai Shoot, Waihi, Lady Gladys, Riverina, Sand King, Missouri, Thiel Well, Callion, Federal Flag, Walhalla, and Walhalla North.
- Six exploration prospects: Siberia Consols, Dexy, Lady Eileen South, Giles, Red Leaf, and Mulline.
- Four historical mines: The Great Ophir, Golden Pole, Echo and Mulline Rose.

In addition, the run of mine (ROM) pad, ore stockpiles, offices and core shed at Davyhurst were viewed and core from the Waihi deposit (WHDD003) examined. The mill was not inspected but briefly viewed from the perimeter road. The more distant project areas of Lady Ida and Mount Ida were not covered. The findings from the site visit have been incorporated into the project assessments.

Tenement information on EGS's tenements was provided by independent legal firm, DLA Piper Australia (DLA). CSA Global relies on the independent opinion of DLA dated 29 March 2019 (please see [Appendix D](#) for summary listing of tenements), with regards to the validity, ownership, and standing of EGS's tenements. CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so.

#### **1.4 Authors of the Report – Qualifications, Experience and Competence**

The Report has been prepared by CSA Global, a privately-owned consulting company that has been operating for over 30 years; with its headquarters in Perth, Western Australia.

CSA Global provides multidisciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle from project generation, to exploration, resource estimation, project evaluation, development studies, operations assistance, and corporate advice, such as valuations and independent technical documentation.

The information in this Report that relates to the Technical Assessment of the Mineral Resources reflects information compiled and conclusions derived by Ms Ivy Chen who is a Member of the AusIMM. She is not a related party or employee of EGS. Ms Chen has sufficient experience relevant to the Technical Assessment Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code and the 2015 Edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Ms Chen consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to the Technical Assessment of the Mineral Resources reflects information compiled and conclusions derived by Mr Neal Leggo who is a Member of the AIG. He is not a related party or employee of EGS. Mr Leggo has sufficient experience relevant to the Technical Assessment Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code and the 2015 Edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Mr Leggo consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to the Technical Assessment of the mining potential reflects information compiled and conclusions derived by Mr Karl van Olden who is a Member of the AusIMM. He



is not a related party or employee of EGS. Mr van Olden has sufficient experience relevant to the Technical Assessment Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code and the 2015 Edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Mr van Olden consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to the Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Mr Sam Ulrich who is a Member of the AusIMM and AIG. He is not a related party or employee of EGS. Mr Ulrich has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Mr Ulrich consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to the Technical Assessment of Mineral Resources of EGS's Davyhurst Project was completed by CSA Global Principal Geologist, Neal Leggo (BSc Hons, MAIG, MSEG) and CSA Global Principal Geologist, Ivy Chen (BAppSc (Geology), MAusIMM, GAICD).

Mr Leggo has over 30 years' experience including management, mineral exploration, consulting, resource geology, underground operations, and open pit mining. He has worked in a variety of geological terrains and specialises in copper, gold, silver-lead-zinc, and iron ore for which he has the experience required for code-compliant reporting. Mr Leggo also has experience with uranium, vanadium, manganese, tin, tungsten, nickel, lithium, niobium, gemstones, mineral sands, and industrial minerals. He has the relevant qualifications, experience, competence, and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

Ms Chen is a corporate governance specialist, with over 30 years' experience in mining and resource estimation. She served as the national geology and mining adviser for the ASIC from 2009 to 2015. Ms Chen's experience in the mining industry in Australia and China, as an operations and consulting geologist, includes open pit and underground mines for gold, manganese and chromite, and as a consulting geologist she has conducted mineral project evaluation, strategy development and implementation, through to senior corporate management roles. Recent projects completed include listings and other commercial transactions on the Australian, Singapore, Hong Kong, and UK stock exchanges. Ms Chen is a company director in the ASX junior resources listed space and is a member of the VALMIN Committee.

The Mining Assessment of the Davyhurst Project in this Report was completed by CSA Global Mining Manager/Principal Mining Engineer, Karl Van Olden (BSc (Eng) (Mining), Grad Dip Eng (Mineral Economics), MBA, FAusIMM). Mr Van Olden is a mining engineer with more than 25 years' experience in planning, development and operation of a diverse range of open pit and underground resources assets across Africa and Australia. His broad expertise includes mining engineering, business process development, business and mine planning, Ore Reserves, financial analysis and project management.

The valuation of Mineral Resources and Exploration Tenure was completed by CSA Global Principal Consultant, Mr Sam Ulrich (BSc (Hons), GDipAppFin, MAusIMM, MAIG, and FFin). Mr Ulrich has over 20 years' experience in mineral exploration and corporate services. His exploration experience ranges from grassroots to near mine resource development in Australia and Asia. Mr Ulrich is part of CSA Global's corporate team primarily working on transactions. He provides geological due diligence, independent technical reporting for mergers and acquisitions, and company listings, as well as acting as Competent Person under the JORC Code for a range of Exploration Results in gold, base metals, and uranium. Mr Ulrich is a valuation expert and VALMIN specialist, delivering technical appraisals and valuations for



independent expert reports, target statements, schemes of arrangement, stamp duty assessments, asset impairments, and due diligence exercises on projects worldwide. He has extensive experience in the exploration and development of Archaean orogenic gold deposits, which combined with his mineral economics research into Australian gold mines, provides him with specialist skills in applying economic/valuation criteria to exploration targeting and ranking, and the valuation of mineral assets. Mr Ulrich has the relevant qualifications, experience, competence, and independence to be considered a “Specialist” under the definitions provided in the VALMIN Code and a “Competent Person” as defined in the JORC Code.

The reviewers of the Report are CSA Global Managing Director, Jeff Elliott (BSc. (Geology), MAIG, FAusIMM, MAICD, AFAIM) and CSA Global Principal Geologist – Valuation, Trivindren Naidoo (MSc (Exploration Geology), BSc (Hons) Geology and Applied Geology, Grad Cert (Mineral and Energy Economics), Grad Cert (Business), MAusIMM, FGSSA, Pr.Sci.Nat.).

Mr Elliott has over 23 years’ experience in the mining industry during which time he has developed broad capabilities in project evaluation, exploration, resource development and mining for a wide variety of commodities in diverse geological settings and locations. He has significant technical experience in exploration, project assessment, technical valuations, independent reporting and corporate advice. Mr Elliott also has strong financial, business management, communication, and strategy development and implementation skills.

Mr Naidoo is an exploration geologist with 20 years’ experience in the minerals industry, including 14 years as a consultant, specialising in project evaluations and technical reviews as well as code-compliant reporting (JORC, VALMIN, NI 43-101 and CIMVAL) and valuation. His knowledge is broad-based, and he has wide-ranging experience in the field of mineral exploration, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation, including the assessment of operating mines. Mr Naidoo has completed independent evaluations and valuations of numerous mineral assets ranging from early-stage exploration properties to multiple operating mines, across various commodities and jurisdictions. He is a Registered Professional Natural Scientist (Pr.Sci.Nat) in the field of Geology with the South African Council for Natural Scientific Professions (SACNASP), as well as a Member of the AusIMM and Fellow of the Geological Society of South Africa (GSSA).

### 1.5 Prior Association and Independence

The authors of this Report have no prior association with EGS regarding the mineral assets. Neither CSA Global, nor the authors of this Report, have or have had previously, any material interest in EGS or the mineral properties in which EGS has an interest. CSA Global’s relationship with EGS is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. This Report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report. The fee for the preparation of this Report is approximately A\$100,000.

No member or employee of CSA Global is, or is intended to be, a director, officer, or other direct employee of EGS. No member or employee of CSA Global has, or has had, any material shareholding in EGS. There is no formal agreement between CSA Global and EGS in relation to CSA Global conducting further work for EGS.

This report should be considered a Technical Assessment Report, with its subsequent inclusion in the EGS proposal following emergence from administration.



## 1.6 Declarations

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The Report has been compiled based on information available up to and including the date of the Report.

The statements and opinions are based on the reference date of 29 March 2019 and could alter over time depending on exploration results, mineral prices, and other relevant market factors.

The opinions expressed in the Report have been based on the information supplied to CSA Global by EGS. The opinions in the Report are provided in response to a specific request from EGS to do so. CSA Global has exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. CSA Global does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in the Report apply to the site conditions and features, as they existed at the time of CSA Global's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of the Report, about which CSA Global had no prior knowledge nor had the opportunity to evaluate.

CSA Global's valuations are based on information provided by EGS and public domain information. This information has been supplemented by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data.

Pursuant to section 716 of the Corporations Act 2001 (Cth) (Corporations Act) and in relation to the prospectus prepared by EGS for an offer of securities to be lodged with ASIC and ASX in April 2019, CSA Global consents to being named in the Prospectus as technical expert to the Company, the inclusion of the Technical Report in Section 9 of the Prospectus and to the distribution of paper and electronic versions of the Prospectus.

No audit of any financial data has been conducted.

The valuations discussed in the Report have been prepared at a valuation date of 18 February 2019. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

### 1.6.1 Results are Estimates and Subject to Change

The interpretations and conclusions reached in this Report are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

## 2 Mineral Resources

### 2.1 Davyhurst Project Overview

#### 2.1.1 Location and Access

The bulk of the Davyhurst Project is situated approximately 120 km northwest of Kalgoorlie (Figure 1). The area is connected to Kalgoorlie, a major regional centre, by the sealed Kalgoorlie–Menzies Highway, with good quality gravel roads providing access throughout the project.

The landscape in the project area is relatively flat, with low hills and ridges and a total elevation range of approximately 380 m to 530 m. Hills and ridges are interspersed with gently undulating areas that are locally disrupted by breakways or scarps. Other landforms include salt lakes, clay pans and sand dunes. The region contains a range of woodland and scrubland assemblages and has a semi-arid climate. An average annual rainfall of 260 mm is recorded in Kalgoorlie, approximately 120 km to the southeast of the project area, fairly evenly distributed throughout the year, with most reliable rain occurring during winter.

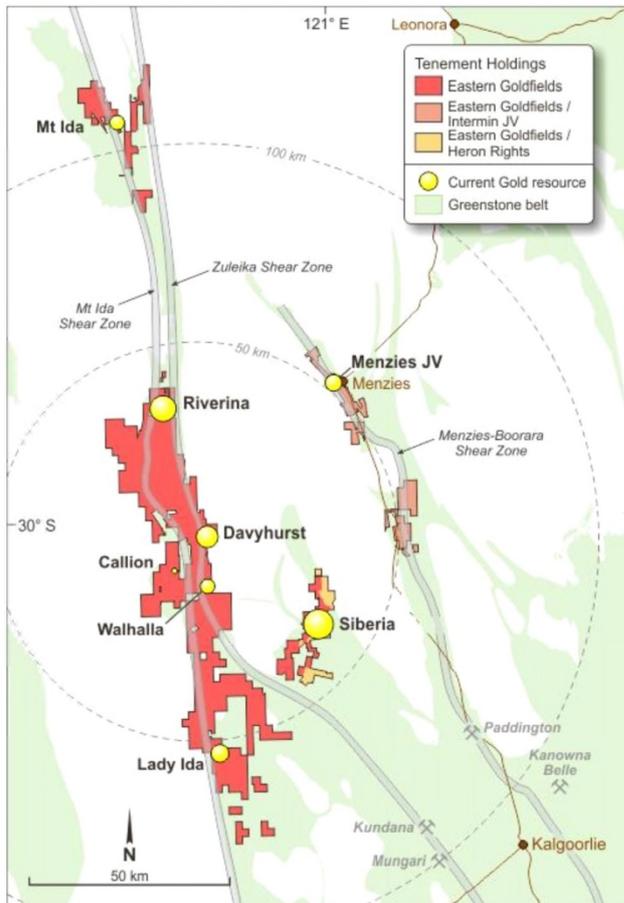


Figure 1: Location plan, showing project areas  
 Source: EGS website



### 2.1.2 Geology

The project is located within the north to north-northwest striking Davyhurst-Mount Ida Greenstone Belt, a western branch of the Norseman-Wiluna Belt. The Project encompasses a group of varied gold deposits spread over an area between Lizard in the south, Riverina in the north, and the Siberia Mining Centre in the east.

The project straddles the boundary between the Eastern Goldfields Province and Southern Cross Province and includes portions of two crustal scale faults: the Ida Fault and Zuleika Shear. The Ida Fault marks the boundary between the Barlee Terrane of the Southern Cross Province and the Kalgoorlie Terrane of the Eastern Goldfields Province (Swager *et al.*, 1990). The Zuleika Shear separates the Coolgardie and Ora Banda domains of the Kalgoorlie Terrane (Swager *et al.*, 1990).

EGS has a substantial database for these project areas; the Davyhurst drilling database comprises approximately 110,600 drillholes. These holes were drilled by WMC, Siberia Mining, Monarch Swan Gold and EGS over several decades from the 1980s, through to holes drilled by EGS up to 2018.

### 2.1.3 Operational History

There is a long history of modern gold exploration in the Davyhurst area. Gold was first discovered in the Davyhurst area in 1897, with significant historical production of gold reported between 1897 and 1937.

WMC Resources built the first modern treatment plant at Davyhurst in 1986 and the project was sold in the following year. After intermittent attempts to mine the area by a number of companies, Cons Gold purchased the mine in 1996, moved the treatment from the Bardoc Gold Mine to Davyhurst, and commenced mining. Cons Gold appointed an administrator in April 1998 and the mine was inherited by NM Rothschild & Sons (Rothschild). Rothschild continued processing until April 1999. The deposit was purchased in mid-2000 by Croesus Mining NL (Croesus) from Rothschild. Croesus made Davyhurst the first new gold mine to open in Western Australia in the new century.

Within less than a year of acquiring the mine, Croesus moved from exploration to mining and opened Giles open pit operation in May 2001. In November 2005, Croesus sold the mine to the Monarch Gold Mining Company (Monarch). In June 2006, Croesus went into voluntary administration. Monarch recommenced mining at Davyhurst in June 2007 and announced its first gold pour in the following August.

In 2007, Monarch acquired additional tenure in the district including the Riverina mining centre approximately 40 km north of Davyhurst, the Mount Ida Project, the Siberia and Lady Ida projects. In 2008, Monarch went into administration. In 2010, the company was renamed Swan Gold Mining Ltd (Swan Gold) and an attempt was made to bring the company out of administration. This attempt failed when the linked capital raising failed.

Following a series of corporate changes between 2010 and 2016, EGS was reinstated to official quotation on the ASX on 24 March 2016, following the completion of a capital raising. EGS continued exploration and resource definition drilling in the Davyhurst, Golden Eagle, Walhalla, Mount Ida and Siberia (Sand King and Missouri) project areas.

The Missouri Mineral Resource was updated in December 2016, and Sand King in January 2017. Refurbishment of the Davyhurst mill continued throughout 2017, with the first carbon-in-pulp (CIP) gold pour completed in August 2017. Surface drilling and open pit mine development work was carried out at the Siberia Project in 2017 and 2018. Underground drilling and mine development work were carried out at the Golden Eagle deposit in 2017 and 2018.

Ferrier Hodgson was appointed as Administrators in November 2018.



#### 2.1.4 CSA Global Review and Assessment Process for this Report

The publicly reported EGS Mineral Resources summary is reproduced below in Table 4, as published most recently in the EGS Quarterly Activities and Cashflow Statement for the quarter ended 30 September 2018, published on the ASX on 31 October 2018. EGS has stated that *“All Resources listed above with the exception of the Missouri and Sand King Resources were prepared and first disclosed under the JORC Code 2004 (refer to ASX release “Swan Gold Prospectus”, 13/2/2013). It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Missouri and Sand King Mineral Resources has been updated and complies with all relevant aspects of the JORC code 2012.”*

CSA Global has reviewed the estimates in this summary, as well as work in progress by EGS staff, and in accordance with the requirements of the VALMIN and JORC codes, it has formed an opinion of the confidence that it is attributing to these estimates in accordance with its findings. CSA Global notes that EGS is in the process of updating several of these estimates and will be publishing updated estimates as soon as the work in progress can be completed and validated. Table 4 summarises CSA Global’s assessment of these estimates, for the purpose of the valuation.

CSA Global’s assessment has accepted the Missouri and Sand King estimates, reported in accordance with the JORC Code (2012), as being completed to acceptable contemporary industry practices.

EGS staff have completed a substantial body of work to verify older data and estimate Mineral Resources in the case of Golden Eagle, Waihi, Callion and Riverina deposits. CSA Global anticipates that these estimates are of a sufficient quality to be reported in accordance with the JORC Code (2012) but has not so far been disclosed as there remain non-technical issues resulting in failure to finalise and then publish. CSA Global is confident the estimates for Golden Eagle, Waihi, Callion, and Riverina deposits are of sufficiently similar magnitude in terms of grade, tonnage and confidence categorisation, to accept the published estimates as reasonable proxies for the purposes of the valuation process.

#### 2.1.5 Mineral Resources and Ore Reserves Statement

Missouri, Sand King, Golden Eagle, Waihi, Callion, and Riverina are considered to be Group 1 estimates, and are indicated as (1) in Table 4.

The next category of confidence that CSA Global has applied is to the Lady Gladys, Forehand, Silver Tongue, Walhalla, Walhalla North, Mount Banjo, Macedon, Baldock, Meteor, and Whinnen deposits. These estimates have not seen as much verification and validation by EGS staff and are considered a lower priority. Some of the estimates are over 10 years old, reported in accordance with the 2004 Edition of the JORC Code, and in some instances, the reports accompanying the estimate are brief and do not provide sufficient detail to make a clear assessment of the methods employed. However, there is sufficient detail to allow CSA Global to accept that mineralisation and grade continuity can be reliably inferred. These estimates have been treated as equivalent to Inferred Mineral Resources for the purposes of valuation. These Group 2 estimates are shown as (2) in Table 4.

The final category of estimates has been considered to be of low confidence, having only a low amount of verifiable data with which to assess the estimates. In some cases, there is a significant amount of drilling in these areas completed over several decades spanning the 1980s up to recent drilling by EGS in 2018. This body of data will require validation in terms of twinned drillholes, resurvey of any existing collars that can be located, and the re-assaying of a set of representative samples will be required before a new estimate can be completed. In some deposits, there is a block model, and sufficient data in terms of historical exploration, and production records, to infer that some low confidence mineralisation with a potential for economic extraction exists. CSA Global has considered these to be Group 3 estimates, with “Brownfields Potential” for eventual economic extraction and has accepted the estimate to be equivalent



to Inferred levels of confidence and discounted the published estimates for the purpose of its valuation to reflect this level of uncertainty. These estimates are indicated as (3) in Table 4.

Table 4: Davyhurst Project Mineral Resources Statement

PROJECT	MEASURED		INDICATED		INFERRED		TOTAL MATERIAL		
	'000 t	g/t Au	'000 t	g/t Au	'000 t	g/t Au	'000 t	g/t Au	'000 oz
<b>CENTRAL DAVYHURST</b>									
Golden Eagle (1)	0	0.0	345	2.5	311	2.6	656	2.5	54
Lights of Israel Underground (3)	0	0.0	74	4.3	180	4.2	254	4.2	35
Makai Shoot (3)	0	0.0	1,985	2.0	153	1.7	2,138	2.0	136
Waihi (1)	0	0.0	805	2.4	109	2.4	914	2.4	71
<b>Central Davyhurst – Subtotal</b>	<b>0</b>	<b>0.0</b>	<b>3,200</b>	<b>2.2</b>	<b>800</b>	<b>2.6</b>	<b>3,962</b>	<b>2.3</b>	<b>296</b>
<b>RIVERINA/MULLINE</b>									
Lady Gladys (2)	0	0.0	1,858	1.9	190	2.4	2,048	1.9	128
Riverina Area (1)	0	0.0	941	2.4	1,644	2.5	2,585	2.5	205
Forehand (2)	0	0.0	386	1.7	436	1.9	822	1.8	48
Silver Tongue (2)	0	0.0	155	2.7	19	1.3	174	2.5	14
Sunraysia (3)	0	0.0	175	2.1	318	2.0	493	2.0	32
<b>Riverina/Mulline – Subtotal</b>	<b>0</b>	<b>0.0</b>	<b>3,515</b>	<b>2.1</b>	<b>2,607</b>	<b>2.3</b>	<b>6,122</b>	<b>2.2</b>	<b>427</b>
<b>SIBERIA</b>									
Sand King (1)	0	0.0	1,773	3.3	680	3.7	2,453	3.4	272
Missouri (1)	0	0.0	2,022	3.0	409	2.6	2,431	2.9	227
Palmerston/Camperdown (3)	0	0.0	118	2.3	174	2.4	292	2.4	22
Berwick Moreing (3)	0	0.0	0	0.0	50	2.3	50	2.3	4
Black Rabbit (3)	0	0.0	0	0.0	434	3.5	434	3.5	49
Thiel Well (3)	0	0.0	0	0.0	18	6.0	18	6.0	3
<b>Siberia – Subtotal</b>	<b>0</b>	<b>0.0</b>	<b>3,913</b>	<b>3.1</b>	<b>1,765</b>	<b>3.2</b>	<b>5,678</b>	<b>3.1</b>	<b>577</b>
<b>CALLION</b>									
Callion (1)	0	0.0	86	2.8	83	2.3	169	2.6	14
<b>Callion – Subtotal</b>	<b>0</b>	<b>0.0</b>	<b>86</b>	<b>2.8</b>	<b>83</b>	<b>2.3</b>	<b>169</b>	<b>2.6</b>	<b>14</b>
<b>WALHALLA</b>									
Federal Flag (3)	32	2.0	112	1.8	238	2.5	382	2.3	28
Salmon Gums (3)	0	0.0	199	2.8	108	2.9	307	2.8	28
Walhalla (2)	0	0.0	448	1.8	216	1.4	664	1.7	36
Walhalla North (2)	0	0.0	94	2.4	13	3.0	107	2.5	9
Mount Banjo (2)	0	0.0	109	2.3	126	1.4	235	1.8	14
Macedon (2)	0	0.0	0	0.0	186	1.8	186	1.8	11
<b>Walhalla – Subtotal</b>	<b>32</b>	<b>2.0</b>	<b>962</b>	<b>2.1</b>	<b>887</b>	<b>2.0</b>	<b>1,881</b>	<b>2.1</b>	<b>126</b>
<b>LADY IDA</b>									
Iguana (3)	0	0.0	690	2.1	2,032	2.0	2,722	2.0	177
Lizard (3)	106	4.0	75	3.7	13	2.8	194	3.8	24
<b>Lady Ida – Subtotal</b>	<b>106</b>	<b>4.0</b>	<b>765</b>	<b>2.3</b>	<b>2,045</b>	<b>2.0</b>	<b>2,916</b>	<b>2.1</b>	<b>201</b>
<b>Davyhurst – Total</b>	<b>138</b>	<b>3.5</b>	<b>12,441</b>	<b>2.5</b>	<b>8,187</b>	<b>2.4</b>	<b>20,728</b>	<b>2.4</b>	<b>1,641</b>
<b>MOUNT IDA</b>									
Baldock (2)	0	0.0	136	18.6	0	0.0	136	18.6	81
Baldock South	0	0.0	0	0.0	0	0.0	0	0.0	0
Meteor (2)	0	0.0	0	0.0	143	9.3	143	9.3	43
Whinnen (2)	0	0.0	0	0.0	39	13.3	39	13.3	17
<b>Mount Ida – Total</b>	<b>0</b>	<b>0.0</b>	<b>136</b>	<b>18.6</b>	<b>182</b>	<b>10.2</b>	<b>318</b>	<b>13.8</b>	<b>141</b>
<b>COMBINED – TOTAL</b>	<b>138</b>	<b>3.5</b>	<b>12,577</b>	<b>2.7</b>	<b>8,369</b>	<b>2.6</b>	<b>21,046</b>	<b>2.6</b>	<b>1,782</b>

Source: EGS

Note: The number in the brackets reflect CSA Global's (1) Group 1 (2) Group 2 (3) Group 3 assessment for the purpose of valuation



## 2.2 Central Davyhurst Area Mineral Resources

### 2.2.1 Golden Eagle Deposit

Golden Eagle is approximately 1.8 km southwest of the 1.2 Mt/a Davyhurst processing facility and was last mined in the open pit by Croesus in 2003–2004. EGS conducted underground mining in 2017–2018.

The Golden Eagle deposit is hosted within a 10–20 m wide mineralised (quartz, silica, pyrrhotite and pyrite), sub-vertical, siliceous biotite schist. Historically, mining in the Golden Eagle pit has focused on the Central and Northern shoots. In the open pit, the entire mineralised zone was typically bulk mined with average grades of between 2.0 g/t and 2.5 g/t. Both shoots plunge north at between 20° and 30°.

The geology of Golden Eagle deposit was modelled on the basis of the location and extent of the higher-grade quartz-feldspar lode (QFL) which is generally well mineralised, within a broader schistose unit. Solid models of the QFL and schist units was constructed from drill logging. Within the larger biotite schist unit, the high-grade QFL association has been interpreted in the hangingwall position of the Northern Shoot and is the target of the current underground mining plan.

EGS staff are developing a Mineral Resource estimate for Golden Eagle, with the aim to report this model in accordance with the JORC Code (2012) upon completion.

The resource interpretation was defined on grade with the QFL and schist units guiding the shape and orientation of mineralised lodes. Along strike continuity is reasonably consistent and limited to a vertical extent of about 80 m. The mineralisation envelope was broadly based on a 3.5 g/t cut-off, to reflect underground mining methods. Minor ore zones in the hangingwall and footwall were also defined and modelled.

CSA Global has reviewed Golden Eagle for critical issues that may have an impact on its valuation and has found no material concerns, or fatal flaws. The existing published Golden Eagle estimate has been accepted by CSA Global as a proxy for the internal estimate underway by EGS staff. CSA Global is satisfied that the order of magnitude similarities in tonnage, grade and confidence classification are acceptable in the context of its valuation. CSA Global has considered this to be a Group 1 deposit for the purpose of its valuation.

### 2.2.2 Lights of Israel Deposit

The Lights of Israel deposit is hosted in the same mineralised (quartz, silica, pyrrhotite and pyrite), siliceous biotite schist as the Golden Eagle deposit and located 3 km north along strike of the same structure hosting Golden Eagle.

A substantial amount of data exists for Lights of Israel deposit, over 4,800 drillholes, with over 2,100 drilled between 1984 and 2016 ("modern" data), and over 2,700 drilled prior to the 1980s by Western Mining Corporation (WMC) and other companies.

CSA Global has reviewed the drilling database and is of the opinion that this body of data will require validation in terms of twinned drillholes, resurvey of any existing collars that can be located, and the re-assaying of a set of representative samples will be required before a new estimate can be completed. However, there is sufficient data in terms of historical exploration and production records, to infer that some low confidence mineralisation with a potential for economic extraction exists. CSA Global has considered this to be a Group 3 deposit for the purpose of its valuation and has treated the entire estimate to be equivalent to an Inferred level of confidence and applied a discount to the ounces in the estimate.

### 2.2.3 Makai Shoot

The Makai Shoot is an up-dip parallel lode to the Lights of Israel Shoot where potential for underground mining and/or cutback of the existing pit was indicated but required further evaluation. Reverse



circulation (RC) drilling by Monarch in 2007 led to an in-house estimate in 2008. This estimate was classified as “Indicated” and “Inferred”, and a small “Probable” ore reserve<sup>1</sup> was estimated. CSA Global considers these estimates to be likely reported in accordance with the JORC Code (2004), but has not sighted any details about the estimate, apart from block model reports from three comparable estimates completed using multiple indicator kriging, ordinary kriging, and inverse distance squared methods.

However, there is sufficient data in terms of historical exploration and production records to infer that some low confidence mineralisation with a potential for economic extraction exists, despite the paucity of other information. CSA Global has considered the Makai Shoot to be a project with “Brownfields Potential”, a Group 3 deposit for the purpose of its valuation and considered the entire estimate to be equivalent to an Inferred level of confidence and applied a discount to the ounces in the estimate.

#### 2.2.4 Waihi Deposit

The Waihi deposit is located approximately 1 km west of the old Davyhurst townsite. Gold was discovered at Waihi in 1897 and was mined between 1897 and 1937. Modern exploration commenced in the 1980s with several companies exploring around the historical underground workings. In 1983, WMC commenced exploration around the old Golden Eagle and Waihi workings. Modern mining at the Waihi deposit was between approximately 1987 and 1999; life of mine reconciliation records between the estimated ore reserves<sup>3</sup> and the mill was reviewed by CSA Global.

Gold mineralisation at Waihi occurs within both altered tremolite schist and basalts and is characterised by multiple lodes and broad alteration haloes. Higher-grade gold mineralisation was interpreted to be associated with extreme silica flooding and quartz veining. Quartz veining sub-parallel to, or crosscutting the regional fabric was also interpreted within the deposit. These veins appear discontinuous, sometimes forming boudins within the ore zone.

The most recent estimate was completed by Swan Gold in 2013 (Whittle-Herbert, 2013). The estimate was completed by Swan Gold staff, and the database, block model and mineralisation wireframes and interpretation surfaces were provided to CSA Global for review. This estimate was completed using ordinary kriging and based on RC and diamond drilling data composited to 1 m. EGS staff are reviewing this model, before it is published.

CSA Global has reviewed the unpublished Waihi estimate for critical issues that may impact on its valuation and has found no material concerns, or fatal flaws. The existing published Waihi estimate has been accepted by CSA Global as a proxy for the internal unpublished estimate that is currently being reviewed by EGS staff. CSA Global is satisfied that the order of magnitude similarities in tonnage, grade and confidence classification are acceptable in the context of its valuation. CSA Global has considered this to be a Group 1 deposit for the purpose of its valuation.

### 2.3 Riverina/Mulline Area Mineral Resources

The geology within the Riverina/Mulline area is dominated by thin ultramafic units within a terrane of high magnesian basalt altered by amphibolite facies metamorphism with schistose fabrics typical. Orogenic lode gold mineralisation has been deposited in a number of structural settings and lithologies. A large proportion of the project area is covered by colluvium, alluvium and laterite.

#### 2.3.1 Lady Gladys Deposit

The Lady Gladys deposit was last mined by open cut by Croesus during the period 2002–2004. The currently published Mineral Resources are based on a resource model completed in 2003 by Croesus. However, this has NOT been depleted for material subsequently extracted by mining, which was not

<sup>3</sup> Note: in lower case as these were not reported in accordance with the JORC Code.



completed until November 2004. CSA Global has reduced the contained ounces by 10% to allow for post-mining depletion.

No report for this Croesus resource has been found. However, in 2014 Swan Gold completed a new block model and internal mineral resource estimate for Lady Gladys which reported 1.712 Mt @ 2.08 g/t Au (115 koz) at a gold cut-off grade of 1.0 g/t using the same drill data. This is 13 koz lower than the published resource of 2.048 Mt @ 1.9 g/t Au (128 koz). CSA Global has reviewed the Swan Gold resource report (Whittle-Herbert, 2014) and consider it of adequate quality to support the published Resources and classify the resource as Inferred but not Indicated for valuation purposes; a Group 2 estimate. Additional to the classification downgrade, CSA Global has reduced the contained ounces by 10% to allow for post-mining depletion.

The Lady Gladys pit was inspected by CSA Global in February 2019. The western side of the pit is partially backfilled, but access to the pit floor is possible with the walls in good condition. Construction of a portal to exploit the resources down plunge of the pit using underground mining methods is considered the more promising development pathway, given the high stripping ratio of the cutback option. However, the resource tonnes will drop considerably with the application of a higher cut-off grade applicable to underground mining.

### 2.3.2 Riverina Deposit

Gold production for Riverina Gold Mine district was 117,000t @ 14.6g/t for 55,150oz. Historical workings date from 1896. A phase of modern underground mining by Riverina Gold and Jann Mining occurred from 1988 to 1989. Open pit mining operation was commenced by Monarch in 2008 and ceased shortly thereafter, when all other operations were suspended. The bulk of the material removed was overburden, with the original resource remaining largely intact.

Gold mineralisation is intimately associated with quartz veining and sulphides within broader mylonite zones that also contain non-mineralised parallel quartz veins. The mylonite zones are typically 1.5 m wide with silica and biotite alteration with minor sericite, ankerite, albite and pyrite replacing pyrrhotite. Lesser amounts of arsenopyrite, galena, sphalerite, and chalcopyrite also occur. Gold occurs as native gold in grains between 0.002 mm and 0.1 mm diameter. Previous underground mining indicates that despite the presence of sulphides this gold is essentially free milling. The hangingwall and footwall rocks that occur adjacent to the mineralised zones are often bleached and silicified, but rarely contain any gold mineralisation. The four separate mineralised mylonite zones that occur are: Riverina (or Main), Murchison (or Central), Reggie, and Durham. The Riverina zone is hosted in meta-basalt and broken up into three main areas: North Area (North and Central shafts), Central Area (centred on the South Shaft) and the South Area. The Reggie zone is broken into the South and North areas.

The published Mineral Resource for the Riverina deposit is based on a resource estimation undertaken by M. Nelson of Monarch in 2008 reported in conformance with the JORC Code (2004). This estimate was documented in a resource report (Nelson, 2004) which has been reviewed by CSA Global. Comprehensive JORC Table 1 commentary was provided in the report (pp12–18). Lodes were interpreted on a nominal 1 g/t cut-off grade, 2 m downhole minimum interval, then wireframed. Previous geological mapping and interpretations were used in conjunction with the orientation of the existing workings as a guide to the sectional-based interpretation undertaken using Micromine software. The wireframes were then expanded by 0.5 m, 0.75 m, 1.0 m and 1.25 m to provide dilution and ore-loss envelopes for oxide, transitional and fresh material respectively. The 0.25 m composited assay data was constrained by the following expanded wireframes. Grade was only assigned to blocks within the relevant wireframe. Grade assignment was dominated by one lode shape at a time. Volumes with drill spacing of predominantly 20 m by 20 m through the mineralised zones were classified as Indicated Resources.



Early estimates of the Riverina resources were made by previous explorers: Aztec Mining in 1991, Riverina Gold Mines NL in 1994, and Riverina Resources in 2005 and 2007. A subsequent in-house estimate was completed by R. Whittle-Herbert of Swan Gold in 2014 utilising the Multiple Indicator Kriging (MIK) interpolation method for grade estimation (Whittle-Herbert, 2014). A JORC Table 1 with Sections 1, 2 and 3 was included in the resource report by Whittle-Herbert, but these resource figures are not published.

Considerable drilling exists which was not available for these resource estimates. Grade control drill data exists for the upper benches mined by Monarch in 2008. EGS has undertaken significant drilling at Riverina including 53 diamond drillholes for 7,750 m and 77 RC drillholes for 4,611 m. Structural measurements from orientated core have been made and these are being utilised in a re-interpretation of the lode geometry currently in progress by EGS. The revised wireframes and additional drill data will be used for a new resource estimation in 2019.

The Riverina deposit was inspected by CSA Global in February 2019.

CSA Global has elected to accept the Riverina Mineral Resources as classified in the EGS published statements (Indicated and Inferred) and has considered this model to be a Group 1 estimate for the purposes of valuation of the mineral asset.

### 2.3.3 *Forehand Deposit*

Situated 1 km east of Riverina, the unmined Silver Tongue deposit is hosted within dolerite that is bounded by highly altered and sulphidised basaltic rocks. The geometry and structures controlling this mineralisation have not yet been determined adequately by existing drilling. The saprolite mineralisation appears predominantly supergene, with a flatter, shallow east dipping orientation. The primary gold mineralization dips moderately steeply to steeply to the east, localised in generally narrow, multiple lodes.

The published Mineral Resource for the Forehand deposit is based on a resource estimation undertaken by M. Nelson of Monarch in 2008 reported in conformance with the JORC Code 2004. This estimate was documented in a resource report (Nelson, 2008) which has been reviewed by CSA Global. A reasonably detailed level of JORC Table 1 commentary was provided in the report along with figures, sections, statistical plots, quality assurance and quality control (QAQC) plots, tables and validation graphs. Lodes were interpreted on a nominal 1 g/t cut-off grade, 2 m downhole minimum, .0+ interval, then wireframed.

Previous geological interpretations were used as a guide to the June 2008 interpretation. The wireframes were then expanded by 0.5 m, 0.75 m, 1.0 m and 1.25 m to provide dilution and ore-loss envelopes for oxide, transitional and fresh material. The 0.25 m composited assay data was constrained by the following expanded wireframes. Grade was only assigned to blocks within the relevant wireframe. Grade was estimated using Inverse distance cubed on ellipsoids oriented parallel to the wireframes. Separate estimation runs were made for the bedrock mineralisation and the supergene mineralisation, with the supergene overwriting the bedrock estimation where applicable.

Drilling data comprised 73 RC holes for 6,957 m, with a mix of historical and relatively recent drilling with corresponding modest and good quality data. A nominal 25 m by 25 m pattern with infill to 25 m by 12.5 m was completed for the shallower mineralisation, with drill coverage below the 360 mRL on a 50 m by 25 m grid. A high-grade cut of 15 g/t Au was applied to the composited samples used in the estimation. The resource estimation is based on a nominal economic open-cut mining cut-off grade of 1 g/t Au.

This deposit was not covered by the site inspection as no recent work had been conducted there.

CSA Global has elected to treat all the Forehand Resources as Inferred, and consider this estimate to be in Group 2, for the purposes of valuation of the mineral asset.



#### 2.3.4 Silver Tongue Deposit

Situated 1 km east of Riverina and north of Forehand, the unmined Silver Tongue deposit is hosted within a single north-northwest striking steep east-dipping quartz reef which lies within an envelope of sheared fine to medium grained mafics exhibiting increased biotite and silica alteration adjacent to the quartz reef. Two moderately south-plunging high-grade gold shoots have been defined and coincide with the hinge points where the reef changes dip. The northern ore shoot has a strike length of ~50 m and has been defined over 190 m down plunge to 130 m vertical depth. The southern ore shoot has a strike length of ~25 m and has been defined over 60 m down plunge to 80 m vertical depth. Both ore shoots are open down plunge. Gold mineralisation is depleted within the saprolite zone to approximately 30 m and has been remobilised within the saprock into a broad zone of low-grade gold mineralisation between 30 m and 70 m.

The published Mineral Resource for the Silver Tongue deposit is based on a resource estimation undertaken by M. Nelson of Monarch in 2007 reported in conformance with the JORC Code (2004). This estimate was documented in a resource report (Nelson, 2007) which has been reviewed by CSA Global. A basic level of JORC Table 1 commentary was provided in the report (pp11–16). No geological boundaries were interpreted. Wireframes were based on a combination of grade and quartz content for the main “reef” and grade only for the other lodes. Drilling data comprised 47 RC holes for 5,202 m, all post-2002 with good rigs, survey, logging, sampling, fire assay and well documented, but lacking assay QAQC data. Inverse distance cubed was used for grade estimation. Grade assignment was domained one lode wireframe shape at a time. Separate estimation runs were made for the “bedrock” mineralisation and the supergene mineralisation, with the supergene overwriting the bedrock estimation where applicable. The wireframes used for domaining incorporated different dilution parameters for oxide, transitional and fresh material. A high-grade cut of 20 g/t Au was applied to the composited samples used in the estimation. The resource estimation is based on a nominal economic open-cut mining cut-off grade of 1 g/t Au.

This deposit was not covered by the site inspection as no recent work had been conducted there.

CSA Global has elected to treat all the Silver Tongue Resources as Inferred and consider this to be a Group 2 estimate for the purposes of valuation of the mineral asset.

#### 2.3.5 Sunraysia Deposit

The Sunraysia deposit, 25 km north of Davyhurst, was discovered by rotary air blast (RAB) drilling and follow-up RC and diamond drilling. Exploration RC and diamond drilling have defined a mineral resource, estimated by Monarch in 2007. The resource remains open at depth and along strike. The southern extension of the trend remains open for over 200 m to the nearest RAB drillhole. The gold mineralisation is hosted in a main quartz-carbonate-sulphide reef, with free gold identified in diamond core, and one to two subsidiary lodes hosted by strongly altered amphibolite rock. The main reef is continuous for over 400 m and remains open to the south.

This deposit was not assessed during the CSA Global site inspection as no EGS work had been conducted there.

EGS could not locate a resource report to substantiate the stated Mineral Resource estimates for this deposit. EGS only provided a single page report, “Block Model Report” dated May 2007, which was just an output from Surpac. Therefore, CSA Global has elected to treat Sunraysia as a project with “Brownfields Potential”, a Group 3 deposit for the purposes of valuation of the mineral asset. CSA Global has considered this to be equivalent to an Inferred level of confidence and applied a discount to the ounces in the estimate to reflect the uncertainty.



## 2.4 Siberia Area Mineral Resources

The gold deposits in the northern part of the Siberia mining centre can be classified as vein-type deposits, because the highest-grade and most persistent shoots of gold mineralisation are associated with quartz vein arrays. In these zones, quartz veins are surrounded by wall-rock alteration haloes up to 1 m wide. Depending on the vein density, the alteration haloes may overlap or, where the veins are widely spaced, the haloes may be separated by unaltered basalt. The common mineralisation assemblage has been termed BICA<sup>4</sup> by Jon Standing.

Metallurgically, the dominant sulphide minerals include pyrrhotite and pyrite, with pyrrhotite often replacing pyrite. Sulphide abundance ranges from 0.1% (trace) to 7%, averaging 1% to 2%. Biotite alteration is also found surrounding porphyry dykes and mineralisation is sometimes recorded in the alteration and on outer margins of the dykes.

Mineralisation associated with the porphyries is not part of the ore feed, but minor amounts may report to the ROM where proximal to the ore zones.

Historical gold production in the Siberia region has principally come from four pits (Sand King, Missouri, Palmerston and Camperdown) sporadically mined by WMC, Siberia Mining Corporation (Siberia Mining) and Monarch during the period 1980–2008. A large number of small underground shafts and workings mined in the period from 1897 to 1930 are spread over a number of different reefs and “lines of lode”.

### 2.4.1 Sand King Deposit

The Sand King deposit is in the Siberia Project area, approximately 40 km southeast of the Davyhurst mill. The deposit was mined predominately by WMC. Significant supergene mineralisation was reported from the WMC mining period.

Two alteration events are reported at Sand King (Thompson, 2017); an initial pervasive greenschist alteration related to metamorphism, and a later hydrothermal alteration related to shearing. The shears are believed to have acted as conduits to hydrothermal fluids causing localised alteration and gold mineralisation. Commonly alteration associated with mineralisation is in the form of an assemblage of minerals namely biotite-carbonate-feldspar-pyrrhotite-pyrite.

Thomson (2017) describes gold mineralisation being characterised by biotite shear zones containing quartz extension veins, occurring as individual planar extension veins, or as arrays of variably sigmoidal extension veins arranged en-echelon within the shear zones, or as shear veins. Gold mineralisation is described as typically occurring in a series of quartz veined, biotite-albite-calcite-pyrite-pyrrhotite lodes, with lode alterations typically extending 1–1.5 m away from the quartz veining. Infrequent zones of alteration up to 5 m from veining were also noted. Thompson (2017) noted that mineralisation at Sand King deposit mirrors that at the Missouri deposit further to the south, with gold located within alteration haloes either side of quartz ± carbonate veining.

As described by Thomson (2017), mineralised lode interpretation was based on a 1 g/t Au cut-off, guided by the presence and intensity of quartz veining and the dominantly biotite-rich alteration, relying on the intensity of alteration to determine the boundary of the mineralised lode.

Only 1 m RC and diamond composites were used to estimate grade; blast holes were used to support interpretation but not used for estimation. Lodes were generally interpreted on oblique northwest-southeast sections. In total, 39 lodes were defined across four main domains: South, Central, North and South Supergene. Top-cuts ranging between 10 g/t and 30 g/t Au were applied by lode, following review of domain and lode geometry and statistics. Variography for four main representative lodes was adopted

<sup>4</sup> BICA = biotite-calcite-albite (or plagioclase)-sulphide alteration.

for the smaller lodes, and blocks were estimated using ordinary kriging, in four estimation passes increasing search ranges and decreasing minimum composites for each estimation pass.

The estimate was depleted by applying a mined surface surveyed in 2006 (Thomson, 2017), as this was the most representative “as built” prior to subsequent pit wall collapse and flooding. Where appropriate, the 2006 survey was superseded in part by a drone survey conducted by Arvista in 2016. CSA Global would recommend a check survey be completed prior to detailed mine design work based on this estimate. CSA Global is of the opinion however, that this surface is of sufficient accuracy to not present a material issue for the purpose of our valuation. Figure 2 illustrates this surface and the mineralisation wireframes.

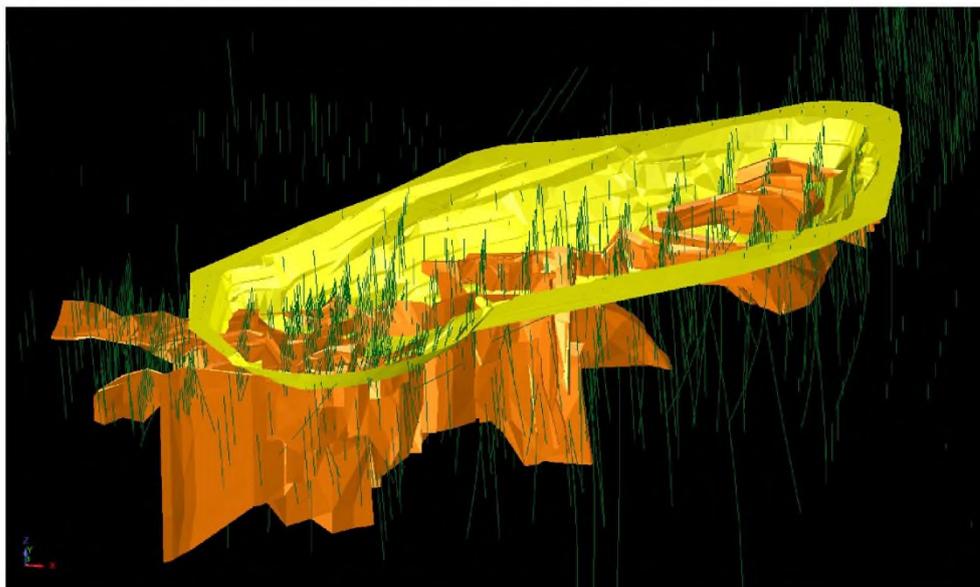


Figure 2: Sand King mineralisation wireframes and mined pit surface, looking north

Thomson (2017) reported only limited testwork completed on density samples and described ongoing testing by EGS to confirm these results. The density values applied in the estimate are reasonable for the lithologies described, and CSA Global endorse the further work underway as critical for improving the confidence classification for future estimates but is of the opinion that the current classification of Indicated and Inferred are appropriate to reflect the current situation.

CSA Global has reviewed the 2017 EGS estimate for critical issues that may have an impact on our valuation and has found no material concerns, or fatal flaws. The Sand King estimate has been accepted by CSA Global as an estimate reported in accordance with the requirements of the JORC Code (2012). CSA Global has considered this to be a Group 1 deposit for the purpose of its valuation.

The Sand King open pit was inspected by CSA Global in February 2019.

#### 2.4.2 Missouri Deposit

The Missouri deposit is located approximately 37 km southeast of the EGS processing plant at Davyhurst. Missouri deposit was discovered by WMC in the 1980s. An extensive drill program was undertaken, resulting in a resource estimate. This resource was mined until 1991. Siberia Mining mined the Missouri deposit between 2004 and 2005, and Monarch completed a short mining episode in early 2008. Mining was concentrated in the north and west of the pit.

Whittle-Herbert (2016) describes the nature of gold mineralisation and alteration at Missouri to be that of a stacked series of biotite-albite (or plagioclase)-calcite-pyrrhotite-pyrite shear lodes and quartz reefs. Pyrrhotite is described as the dominant sulphide, with much of it having a cubic habit suggesting it is replacing pyrite. Whittle-Herbert (2016) notes the quartz veins show a variety of styles ranging from sigmoidal extension veins, shear veins and breccia textured veins. Visible gold is noted within quartz veins as well as associated with disseminated sulphides and pyrite-quartz veinlets. Gold grades appear to increase with the increase in size of sulphide minerals.

Interpretation of the mineralisation lodes were based on a 1 g/t Au cut-off and guided by the presence and intensity of quartz veining and the dominantly biotite-rich alteration. Figure 3 illustrates the interpreted mineralisation lodes.

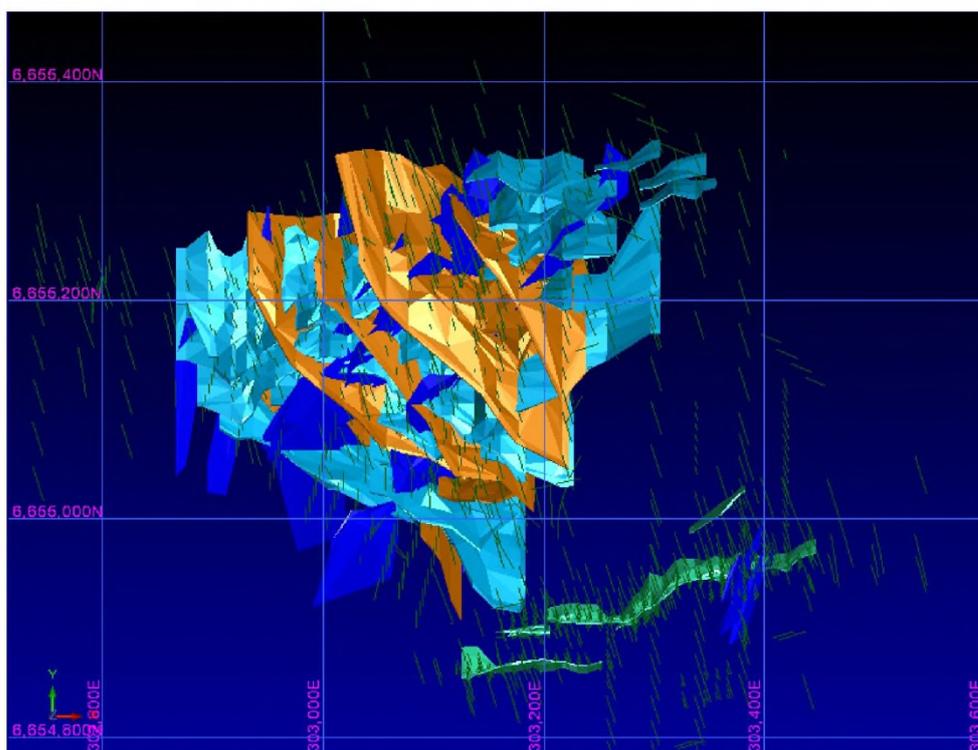


Figure 3: Missouri mineralised lodes

One-metre RC and diamond drilling composites were used to inform the interpretation, with supplementary guidance using blast hole drilling data which was not however used for grade estimation. Lodes were generally interpreted on north-south sections which were then wireframed to produce valid solids. A total of 54 lodes were defined, in four domains, with the greater majority of lodes in the domain oriented east-west and dipping shallowly to the north, and smaller numbers of lodes oriented northwest-southeast, northeast-southwest and to the southeast of the Missouri pit.

Statistical review completed by ESG, by domain and oxidation state, indicated that within the four primary estimation domains, there was no need to further subdivide the estimation domains by oxidation state. A top-cut of 30 g/t Au was applied to the estimation composites, impacting 30 out of approximately 4,660 composites.



Variography was examined using data from single lodes with sufficient data to represent the primary domain orientation. In most cases, the variogram parameters derived from these single lodes were applied to the other lodes within the same domain. In some circumstances, the lode orientation dictated the use of parameters from another domain which better reflected the orientation. The smaller lodes where there was insufficient data for variography were assigned parameters suited to their orientation. The variogram parameters modelled, with a moderately high nugget of between 40% and 50%, and first structure ranging approximately between 35 m and 55 m, is typical for this geological setting.

Grades were estimated using hard lode boundaries and ordinary kriging in three estimation passes; with increasing search distances and reduced minimum samples with each pass.

Whittle-Herbert (2016) noted that there had been very little work completed on the bulk density of mineralised and waste material in the Siberia project area, and the density values adopted were primarily based on limited testwork. These values appear to be reasonable for the lithologies involved and are acceptable for the purposes of CSA Global's valuation. CSA Global endorses EGS's intent to complete further testwork to refine the understanding of bulk density value for the Missouri deposit, to support detailed mine planning and design.

Mining depletion was applied using the mined surface DTM, *sbsite\_mined06\_2008.dtm* produced by Monarch at the end of mining in 2008. Where appropriate, the 06-08 survey was superseded in part by a drone survey conducted by Arvista in 2016. CSA Global recommends that check surveys be completed prior to mining to test the accuracy of this depletion surface, should a greater level of accuracy be required.

CSA Global has reviewed the 2016 EGS estimate for critical issues that may have an impact on its valuation and has found no material concerns, or fatal flaws. The Missouri estimate has been accepted by CSA Global as an estimate reported in accordance with the requirements of the JORC Code (2012). CSA Global has considered this to be a Group 1 deposit for the purpose of its valuation.

The Missouri open pit was inspected by CSA Global in February 2019.

#### 2.4.3 *Palmerston/Camperdown Deposit*

The Palmerston pit was mined by WMC in the 1980s with mineralisation continuing northwards across a tenement boundary into the Camperdown deposit, as mined by Julia Mines NL at the same time. The Palmerston deposit was again mined in 2004, by Siberia Mining.

The Palmerston/Camperdown deposit is hosted within mafic lithologies with a very shallow weathering profile. Mineralisation occurs within a steep dipping shear zone 1–10 m wide with associated quartz veining and alteration. The shear zone curves from 090° at the south-western portion of the deposit and changes strike to approximately 030° through the central portion before curving to 070° at the northeast portion of the deposit, in a sigmoidal form. The dip was described to remain reasonably consistent at approximately 70° to the north and west (PCF, 2010).

EGS drilled 10 RC holes in the Palmerston portion of this deposit in 2018, and the remaining 945 holes were drilled between 1987 and 2006 by WMC, Monarch, Siberia Mining and Swan Gold. These were a mixture of what appears to be grade control, RC and RAB holes.

This deposit was not reviewed in detail by CSA Global. Its opinion is based on reviewing the EGS drilling database and a brief description of the project in the 2010 PCF memorandum. The deposit was not assessed during the CSA Global site inspection as only minimal EGS work had been conducted there.

EGS has located a block model for this estimate, and records indicate it was likely estimated using inverse distance squared in 2004. EGS could not provide a resource report or any substantial data to substantiate



the declared Mineral Resource estimates for this deposit, apart from a single spreadsheet, “Block Model Report” dated 28 June 2008, output from the Surpac block model reporting function.

CSA Global has elected to treat the Palmerston/Camperdown deposit as a project with “Brownfields Potential”, a Group 3 deposit for the purposes of valuation of the mineral asset. CSA Global has considered this be equivalent to an Inferred level of confidence and applied a discount to the ounces in the estimate to reflect the uncertainty.

#### 2.4.4 *Berwick Moreing Deposit*

Berwick Moreing deposit is part of the Siberia project area but has not seen any recent exploration or development. WMC explored the area for nickel in the 1970s in conjunction with its ground holdings to the west at Davyhurst, which included ground geophysics (TEM and IP) and widely-spaced vertical RAB drillholes. Mining by WMC in the 1990s, to the south of the tenement boundary on the north-south striking Invincible Shear produced the Palmerston pit, whilst mining by Julia Mines NL to the north produced the Camperdown and Berwick Moreing pits (PCF, 2010).

EGS staff were able to locate a brief unattributed memorandum (possibly by M Rigby of Croesus sometime between 2001 and 2005), in relation to this deposit, which outlined the inverse distance squared estimation technique used, and estimation parameters. This same memo expressed a concern that the data supporting the estimate required verification, for there to be any confidence in the estimate. The deposit was not assessed during the CSA Global site inspection as only minimal EGS work had been conducted there.

CSA Global has not reviewed this deposit in detail and has elected to treat the Berwick Moreing deposit as a project with “Brownfields Potential”, or a Group 3 deposit for the purposes of valuation of the mineral asset. CSA Global has considered this be equivalent to an Inferred level of confidence and applied a discount to the ounces in the estimate to reflect the uncertainty. CSA Global’s opinion is based on reviewing the EGS drilling database and a brief description of the project in the 2010 PCF memorandum.

#### 2.4.5 *Black Rabbit Deposit*

The Black Rabbit resource is located at the southern extent of the Siberia Mining camp, 40 km from the Davyhurst processing plant. Mineralisation is hosted by mainly ultramafic rocks (Siberia Komatiite), with some production from underlying quartz-biotite-plagioclase schist. The two main mineralised structures approximately follow the contact between komatiitic rocks and underlying felsic schists. The more northerly structure trends 110–120° and dips northeast; the more southerly structure trends 150–160°, and dips 40–60° east. Both shear zones are described as being approximately 12 m wide and containing only minor quartz veins (PCF, 2010).

Four diamond holes were drilled in the Black Rabbit deposit by Swan Gold in 2013. Of the 118 drillholes in total at the Black Rabbit deposit, 111 were RC and the remaining three were RAB holes. The majority of the holes in this deposit were drilled by Siberia Mining in 2003.

Historical production records have not been located for the Black Rabbit deposit. Archived EGS information relating to the deposit indicate that the model was estimated in 2008. PCF (2010) attributes the estimate to Monarch, using data from drilling completed by Siberia Mining in 2003. Due to issues with the drilling database, the resource has been reported as Inferred category only (PCF, 2010).

CSA Global has not reviewed this deposit and has elected to treat the Black Rabbit deposit as a project with “Brownfields Potential”, or a Group 3 deposit for the purposes of valuation of the mineral asset. CSA Global has considered this to be equivalent to an Inferred level of confidence and applied a discount to the ounces in the estimate to reflect the uncertainty.



#### 2.4.6 Thiel Well Deposit

EGS has not managed to collate much information about the Thiel Well deposit. It was drilled between 1987 to 2001, for a total of 585 drillholes. These are mainly RC holes but include 31 diamond drillholes by WMC in 1989, and 11 unattributed RAB holes.

CSA Global has elected to treat the Thiel Well deposit as a project with “Brownfields Potential”, or a Group 3 deposit for the purposes of valuation of the mineral asset. CSA Global has considered this to be equivalent to an Inferred level of confidence and applied a discount to the ounces in the estimate to reflect the uncertainty. CSA Global’s opinion is based on reviewing the EGS drilling database, a Placer Dome Asia Pacific memo (Allen, 2003) and CSA Global’s inspection of the Thiel Well deposit in February 2019.

### 2.5 Callion Area Mineral Resources

#### 2.5.1 Callion Deposit

There has been a substantial amount of drilling completed in the Callion deposit, including 68 holes by EGS, of which nine were diamond drillholes and 59 RC. All told, there were 1,239 holes drilled in Callion deposit between 1984 and 2017; of these, 691 are grade control holes when the deposit was mined by Croesus in 2004–2005.

Previous exploration drilling in Callion deposit was completed by various companies annotated in the database as: *Metallges* (Metallgesellschaft of Australia Pty Ltd), *Lubbock* (Lubbock Nominees), WMC, Lonestar (Lonestar Resources Ltd), Centamin (Centamin plc), Crest (Crest Resources Australia NL), Delta (Delta Gold), Croesus (Croesus Mining), Consgold (?) and Monarch (Monarch Gold Mining Company).

Nelson (2008) observes that gold mineralisation in the Callion area occurs in several sub-parallel, mostly steeply dipping, north to north-northwest striking quartz veins in pillow basalts. Gold distribution at the Callion deposit is interpreted to have an overall north-northwest strike and is sub-vertical to steeply (>80°) east-northeast dipping, with internal north to north-northwest striking mineralisation trends.

Observations by SRK (2006a) at Callion suggest that the overall trend of mineralisation swings from north-northwest in the south to more westerly in the north. There is a series of subsidiary shears dipping 25° to 160°. Mineralisation is in deformed quartz veins dipping 60° to 055°.

Nelson (2008) describes the quartz veins at Callion as complex fault zones associated with felsic rocks, either primary quartzite layers or early recrystallised porphyry intrusions. Mineralisation is in a silicified zone cut by an east-dipping foliation refracted through the mineralised zone. Thin quartz veins were also present parallel to this refracted foliation. Nelson (2008) speculates that these relationships suggested that mineralisation may have been controlled by heterogeneous shearing on the pre-existing fabric, caused partially by the flow state differences between silicified zones and the surrounding basalt. Nelson (2008) describes the Callion deposit as consisting of several sub-parallel quartz vein lodes trending north to north-northwest. The main vein mined in the Callion pit has been traced in intermittent outcrop over a strike length in excess of 1.5 km.

The published estimate in the EGS resources summary was estimated by Nelson (2008). This was an open pit only estimate, which did not examine data below 350 mRL. This estimate reports an Indicated and Inferred resource and describes potential to extend the resource to the south and at depth below the southern extent of the current pit, as well as potential to define an underground resource through additional drilling.

PCF (2010) notes that significant underground mining was undertaken in the late 1980s and early 1990s and the extent of this mining was not clearly determined at the time as no underground survey data was available.



Since then, there has been an underground Mineral Resource estimate completed by Whittle-Herbert (2015) for Swan Gold which incorporated mostly underground face and stope sampling digitised from scanned and registered historical plans and long sections. This resource was classified in accordance with the JORC Code (2012) as an Inferred estimate, and mining depletion was removed in the estimate. This estimate was not publicly released. Whittle-Herbert (2015) concluded that the sample density was sufficient to warrant classification; however, uncertainty in sample and stope/drive locations and underground sample quality limited the resource to an Inferred classification. Further drilling was considered necessary to increase confidence and reduce potential high-grade extrapolation where data is sparser. The method applied to derive this estimate was consistent with other deposits in the Davyhurst project – a geological envelope was interpreted guided by geology and a nominal 1.0 g/t Au cut-off and including sub-grade material where geological lode continuity was evident. Statistical analysis of domained weathering types and combined composite sample data was completed, and high-grade outliers were identified, requiring the use of a top-cut of 45 g/t Au. Grade estimation was completed in three passes using inverse distance squared weighting and the estimate was classified as Indicated and Inferred.

In 2016 and 2017, EGS drilled 68 holes, of which nine were diamond drillholes and 59 were RC, to continue to test the mineralisation at Callion. The current 2018 estimate by EGS staff using this data is in progress and will be signed off and reported in accordance with the JORC Code (2012) in due course, once it is fully checked and validated. The work in progress in terms of database, wireframes, surfaces, and block model were provided to CSA Global for high level review. The review of density data is recommended by CSA Global.

CSA Global has found no material issues that would impact its valuation. The estimate in progress has potential to be larger than the estimate currently declared, and CSA Global has elected to accept the currently declared estimate as an acceptable proxy for the purpose of valuing the Callion deposit as a Group 1 estimate. Any future upside is noted but has not been factored into CSA Global's valuation. The Callion deposit was inspected by CSA Global in its February 2019 site visit.

## 2.6 Walhalla Area Mineral Resources

The Round Dam Trend hosts the Federal Flag, Walhalla, Walhalla North, Mount Banjo, Macedon and Salmon Gums prospects situated along an overall north-northwest trending contact between a basalt and an ultramafic unit to the east. Lithologies include a sequence of fine-grained clastic sedimentary rocks, dolerite, basalt, felsic volcanic and volcanoclastics. Most rocks are moderately to strongly foliated and regionally metamorphosed to upper greenschist-amphibolite facies.

### 2.6.1 Federal Flag Deposit

The Davyhurst database contains approximately 1,240 RC and RAB holes, of which the majority (approximately 70%) were drilled by Monarch in 2007. EGS could not locate a resource report to substantiate the stated Mineral Resource estimates for this deposit. EGS only provided a single page report "Block Model Report" which was just an output from Surpac. The "Measured (CLASS=1)" number was 31,000 tonnes higher than the stated resource; however, the IND and INF figures did match. EGS (Todd Tuffin) comment: *"Possibly a transcription error of the measured resources from this block model report into the resource spreadsheet. The indicated and inferred resources are correct. Error understates total ounces."* CSA Global has elected to treat the Federal Flag deposit as a project with "Brownfields Potential" or a Group 3 deposit for the purposes of valuation of the mineral asset. CSA Global has considered this to be equivalent to an Inferred level of confidence and applied a discount to the ounces in the estimate to reflect the uncertainty.

The Federal Flag open pit was inspected by CSA Global in February 2019.



### 2.6.2 *Salmon Gums Deposit*

EGS could not locate a resource report to substantiate the stated Mineral Resource estimates for this deposit. The Davyhurst database does however have 446 RAB and RC holes in this deposit drilled by Monarch and Croesus, between 1987 and 2006.

CSA Global has elected to treat Salmon Gums as a project with “Brownfields Potential” (Group 3 estimate) for the purposes of valuation of the mineral asset.

This deposit was not covered by the CSA Global site inspection.

### 2.6.3 *Walhalla Deposit*

The Walhalla deposit is hosted by talc-chlorite mafic schist. The schist unit is surrounded by moderately massive tholeiitic basalt intercalated with thin dolerite and high magnesium basalt units. The schist is typically between 10 m and 20 m thick and has a strongly developed shear fabric. At Walhalla there appears to be multiple lenses of mineralised schist with the basaltic units to the west and sedimentary and volcanoclastic units to the east. The mineralisation occurs in tabular lodes with an overall north-northwest-trend and steep (>70°) westerly dip with a shallow (~10°) southerly plunge to mineralisation.

The Mineral Resource estimate for Walhalla was reported by Monarch to JORC Code (2004) based on a resource modelling and estimation report: “Davyhurst Gold Project Walhalla - Macedon - Mt Banjo - Walhalla North Deposit Resource Estimation Report” dated November 2007 by M. Nelson. The report adequately covers the various technical requirements and incorporates a JORC Code Table 1 commentary. Based on a review of this report, CSA Global considers that adequate data is available to substantiate the stated mineral resources but not the classification at the Indicated Resource confidence level.

CSA Global has elected to treat all the Walhalla Resources as Inferred (Group 2 estimate) for the purposes of valuation of the mineral asset.

The Walhalla open pit was inspected by CSA Global in February 2019.

### 2.6.4 *Walhalla North Deposit*

The Mineral Resource estimate for Walhalla North was reported by Monarch to JORC Code (2004) based on a resource modelling and estimation report (Nelson, 2007). The report adequately covers the various technical requirements and incorporates a JORC Code Table 1 commentary. Based on a review of this report, CSA Global considers that adequate data is available to substantiate the stated mineral resources but not the classification at the Indicated Resource confidence level.

CSA Global has elected to treat all the Walhalla Resources as Inferred (Group 2 estimate) for the purposes of valuation of the mineral asset.

The Walhalla North deposit was inspected by CSA Global in February 2019.

### 2.6.5 *Mount Banjo Deposit*

The Mineral Resource estimate for Mount Banjo was reported by Monarch to JORC Code (2004) based on a resource modelling and estimation report (Nelson, 2007). The report adequately covers the various technical requirements and incorporates a JORC Code Table 1 commentary. Based on a review of this report, CSA Global considers that adequate data is available to substantiate the stated mineral resources but not the classification at the Indicated Resource confidence level.

CSA Global has elected to treat all the Walhalla Resources as Inferred (Group 2 estimate) for the purposes of valuation of the mineral asset.

This deposit was not covered by the site inspection as no recent work had been conducted there.



### 2.6.6 *Macedon Deposit*

The Mineral Resource estimate for Macedon was reported by Monarch to JORC Code (2004) based on a resource modelling and estimation report (Nelson, 2007). The report adequately covers the various technical requirements and incorporates a JORC Code Table 1 commentary. Based on a review of this report, CSA Global considers that adequate data is available to substantiate the stated mineral resources but not the classification at the Indicated Resource confidence level.

CSA Global has elected to treat all the Walhalla Resources as Inferred (Group 2 estimate) for the purposes of valuation of the mineral asset.

This deposit was not covered by the site inspection as no recent work had been conducted there.

## 2.7 **Lady Ida Area Mineral Resources**

The Lady Ida area was not covered in the site inspection by CSA Global as it is located 50 km south of Davyhurst and recent rain had made vehicle access problematic. Little recent work had been conducted at Lady Ida.

### 2.7.1 *Iguana Deposit*

The Iguana deposit is located 50 km south of Davyhurst. An historical pit has extracted the bulk of the oxide portion of the deposit. It is hosted in strongly foliated biotite-amphibole schists intruded by quartz-feldspar pegmatite dykes and felsic porphyry. Mineralisation is in a fault zone striking 320°, with abundant quartz veins with variable thickness.

Early drilling was by Delta Gold and Siberia Mining. Monarch undertook further RC drilling to better define the orientation and continuity of the ore zones, and to determine the strike extent of mineralisation, which remains open to the north. Additional drilling is required to determine the northwest extent of mineralisation. Monarch undertook air-core drilling along the eastern margin of the pit to define a laterite resource (PCF, 2010).

Monarch estimated a remnant resource for the Iguana deposit which is the source of the reported JORC Code (2004) Mineral Resource. However, EGS has been unable to find the resource report pertaining to this estimate by Monarch.

CSA Global has elected to treat Iguana as a project with “Brownfields Potential” (Group 3 estimate) for the purposes of valuation of the mineral asset.

### 2.7.2 *Lizard Deposit*

The Lizard deposit is located 7 km southeast from Iguana. The lode is north striking with a foliation dipping 65° towards 070° hosted in a thin chlorite-amphibole altered tholeiitic metabasalt within a sequence of chloritic ultramafics. Gold mineralisation is associated with a zone of shearing which has preferentially followed the basalt contacts. Ore zones are continuous along strike and down dip, and have a width of 5 m to 10 m. There is a gap in mineralisation at the saddle, between the northern and southern parts of the 500 m long, 75 m wide and 55 m deep Lizard final pit. Mineralisation continues to the south, plunging at about 30°. Mineralisation also remains below the pit, particularly in the south. Potential for parallel zones of mineralisation exist with isolated ore grade intercepts encountered in sterilisation drilling for the waste dump. Delta (Placer Dome) estimated a remnant resource for the Lizard deposit which is the source of the reported JORC Code (2004) Mineral Resource (PCF, 2010). However, EGS has been unable to find the resource report pertaining to this estimate.

EGS has not undertaken any drilling at Lizard. Potential exists to extend the resource, especially to the north where previous RC drilling has intersected ore-grade mineralisation at shallow depth, and below the current base of pit (PCF, 2010).



CSA Global has elected to treat Lizard as a project with “Brownfields Potential” (Group 3 estimate) for the purposes of valuation of the mineral asset.

## **2.8 Mount Ida Area Mineral Resources**

The Mount Ida Project area is located in the northern-most part of the Mount Ida (or Ularring) Greenstone Belt which is the western-most subdivision of the regionally extensive Norseman-Wiluna belt. This Mount Ida area was not covered in the site inspection by CSA Global as it is located 80 km north of Davyhurst and recent rain had made vehicle access problematic. Little recent work had been conducted on the Mount Ida deposits.

The entire Mount Ida deposits were reviewed on the basis of a report prepared by Cervoj (2008) which details estimates for Baldock, Meteor, Whinnen and Baldock South, and a memorandum prepared by PCF (2010\_a). The estimates are based on a nominal 0.5 g/t Au mineralisation envelope which includes some lower grade material, where geological continuity is warranted. The interpreted deposit geometry is sub-parallel to local grid. A top-cut of 50 g/t Au was applied, and ordinary kriging was used to estimate grades.

The estimates reported in the published EGS Mineral Resources summary are slightly different from the estimates detailed in the report by Cervoj (2008) and PCF (2010\_a). However, as the difference is not considered to be material by CSA Global, it has elected to accept the published estimates and consider the estimates to be Group 2 estimates, or the equivalent to an Inferred level of confidence.



### 3 Exploration Potential

Exploration opportunities in the greater Davyhurst area include targeting extensions to the known mineralised trends such as the Waihi and Python trends. A greater understanding of the geometry and structural controls of the mineralisation within the previously mined open pits, would allow drill targeting of potential down-plunge extensions, which in many instances have been poorly tested to date.

In the Riverina area approximately 45 km to the north of the Davyhurst mill, the location of the Riverina homestead is restricting exploration in its vicinity. Gold mineralisation is known to extend into the area that EGS is presently unable to access. Relocation of the homestead would allow access to this prospective ground for drill testing.

A recent auger geochemistry sampling program has identified an untested gold anomaly greater than 10 km-long trending southwest from the Sand King and Missouri deposits overlying basalt. Previous drilling in the area has largely focused on the basalt ultramafic contact to the east of the anomaly, with sporadic gold mineralisation identified. However, west of the lithological contact little drilling has been undertaken specifically within the basalt, which hosts the Sand King and Missouri deposits.

The Davyhurst project area contains several pegmatites, some are known to contain lepidolite (lithium-bearing mica), at this stage no spodumene (lithium-bearing pyroxene) has been identified; however, no systematic exploration has targeted the lithium potential of the pegmatites. Larger volume pegmatites up to between 50 m and 100 m in width are known to exist in the Lady Ida area, in the southern portion of the greater Davyhurst project area.

The primary focus for EGS has been drilling to validate its substantial historical database over all the tenement holdings, and to improve the confidence of mineral resource definition to allow mineral resource estimates to be updated and reported in accordance with the JORC Code (2012). Plans for regional exploration and to identify extensions of existing deposits have been a lower priority for exploration expenditure. CSA Global has reviewed the EGS exploration strategy and is satisfied that it is a reasonable approach to adopt for an extensive tenement holding of this nature.



## 4 Assessment of Mining Potential

### 4.1 Introduction

The proposed mining plan as outlined by EGS has been assessed primarily in line with the Company's stated "delay and develop" strategy, to confirm that reasonable prospects for eventual economic extraction exists to support the Mineral Resources base, as well as assess the reasonableness of the assumptions and inputs into the proposed mine plan, leading to the declaration of Ore Reserves in due course.

CSA Global has reviewed the potential for viable mining operations to be established on the deposits of the EGS Western Australian projects. These include the Davyhurst and Siberia mining areas.

The primary focus for the review is the Sand King and Missouri deposits in the Siberia mining area and the Riverina, Golden Eagle, Waihi and Callion deposits in the Davyhurst mining area.

### 4.2 Davyhurst

The Davyhurst mining area is located approximately 120 km northwest of Kalgoorlie in an established mining region. The advanced projects identified by EGS are Riverina, Waihi, Callion and Golden Eagle.

#### 4.2.1 Golden Eagle

The Golden Eagle underground mine is well established, with capital decline development approaching 150 vertical metres (319 mRL) below the surface and 85 m below the portal. Ore development is well established on four levels, with stope production well established (or complete) on three levels (see Figure 4).

The orientation of the Golden Eagle deposit is amenable to underground mining with in-situ thickness and grade at values aligned with other economic deposits in the region. The viability of a potential future mining operation will depend on favourable economic and technical considerations.

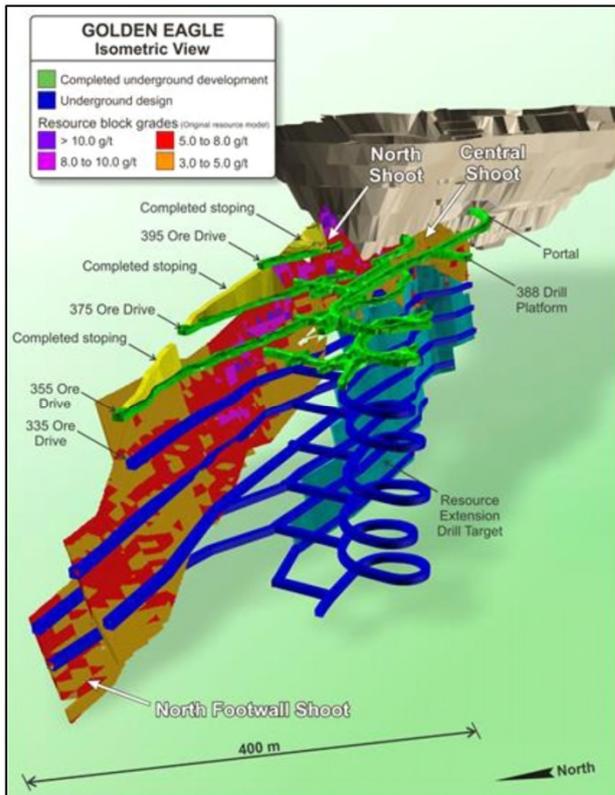


Figure 4: Golden Eagle (isometric view)

#### 4.2.2 Waihi

The Waihi deposit consists of four distinct mineralised lodes within the deposit. These are shown in long-section in Figure 5. The lodes consist of multiple steeply dipping mineralised veins that are close to surface.

The orientation and disposition of the Waihi deposit is amenable to open pit mining activities subject to appropriate engineering and economic considerations.

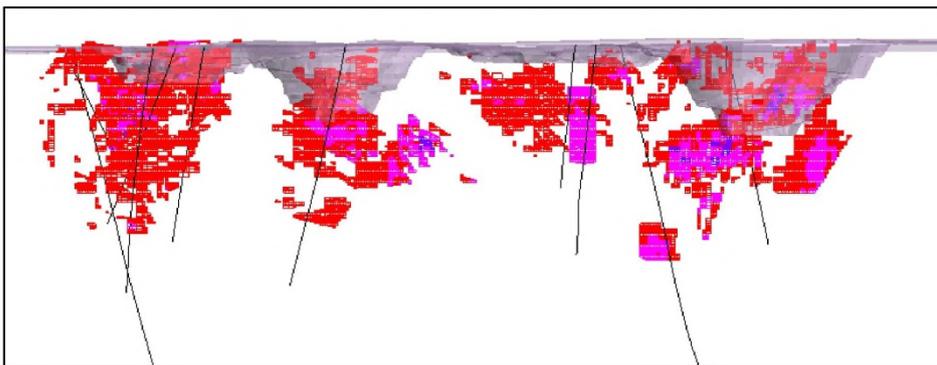


Figure 5: Waihi deposit

#### 4.2.3 Riverina

The Riverina deposit consists of multiple mineralised lodes, outcrops on surface, is steeply dipping, has been defined to a depth of 100 m and is open to depth (see Figure 6).

The orientation and disposition of the Riverina deposit is amenable to open pit mining activities subject to appropriate engineering and economic considerations.

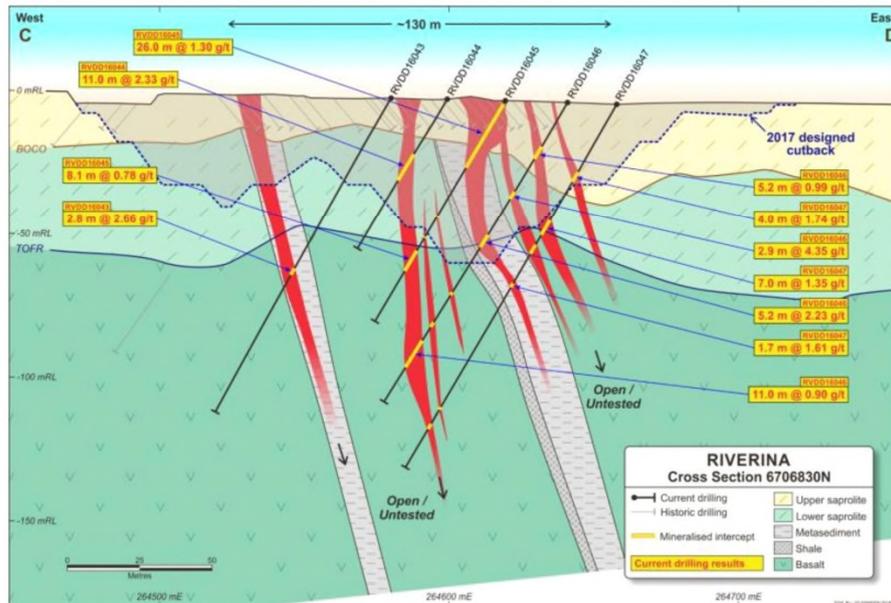


Figure 6: Riverina deposit

#### 4.2.4 Callion

The Callion deposit is a long and narrow deposit, steeply dipping and identified to a depth of 250 m. The deposit is shown in long section in Figure 7.

Callion has previously been mined as an open pit. The potential for a technically and economically viable underground mine has been investigated. No complete mine plan has been developed for this deposit. Before the Callion underground mine can be considered a viable mining target, the economic and technical considerations for the project should be further defined.

Several exploration drillhole intersections have demonstrated grade and widths in the deposit that align with other viable operations in the region. It is considered that Callion should be considered a potential mining target based on these intersections.

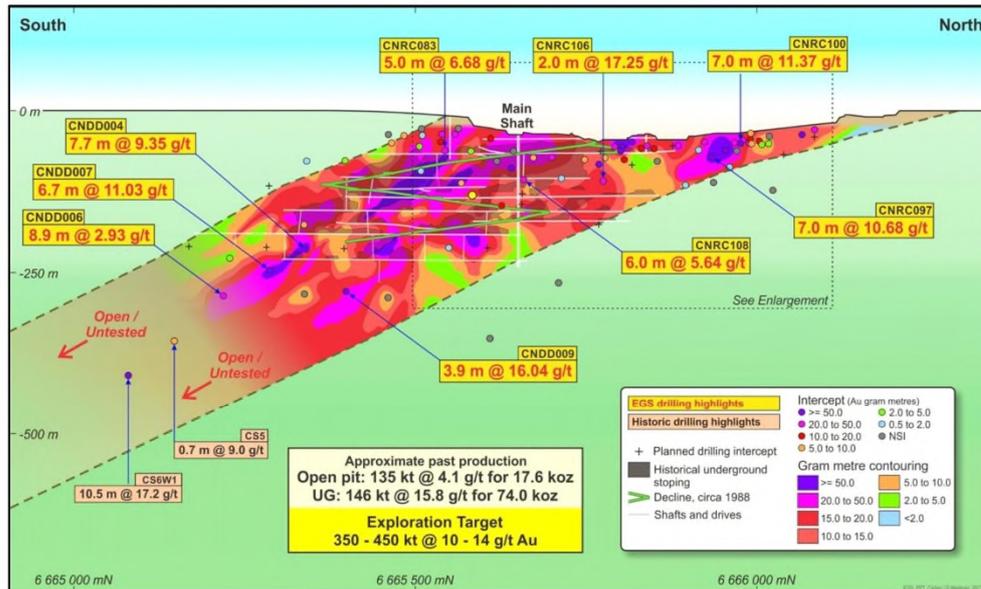


Figure 7: Callion deposit (long-section)

### 4.3 Siberia

Gold production in the Siberia region has principally come from four pits (Sand King, Missouri, Palmerston and Camperdown) sporadically mined by WMC, Siberia Mining and Monarch during the period 1980 to 2008.

Outside of the modern pits are a multitude (~400) of small underground shafts and workings mined in the period 1897 to 1930 and spread over a number of different reefs and "lines of lode". The largest historical producers include Siberia Consols, Waverley-Bonnie Doon-Golden Leases, Cave Hill, Camperdown-Invincible, and Palmerston.

Sand King has been mined predominantly by WMC with a small cutback to the south started by Monarch, that was not completed, and minimal ore was extracted. Of note, significant supergene mineralisation was reported from the WMC mining event with the oxide material generating a significant number of ounces.

#### 4.3.1 Sand King

The Sand King deposit is amenable to open pit mining operations. Previous mining has been physically viable and safe open pit mining activities have occurred. The deposit is located close to surface and is in a favourable orientation for potential open pit mining operations.

Previous studies completed by Entech have identified a mine design and a mine plan for the Sand King deposit that returned a projected positive cash flow based on the project assumptions at the time. The mine design is shown in Figure 8. The orientation of the mineralised lodes of the deposit in relation to an open pit is shown in Figure 9.

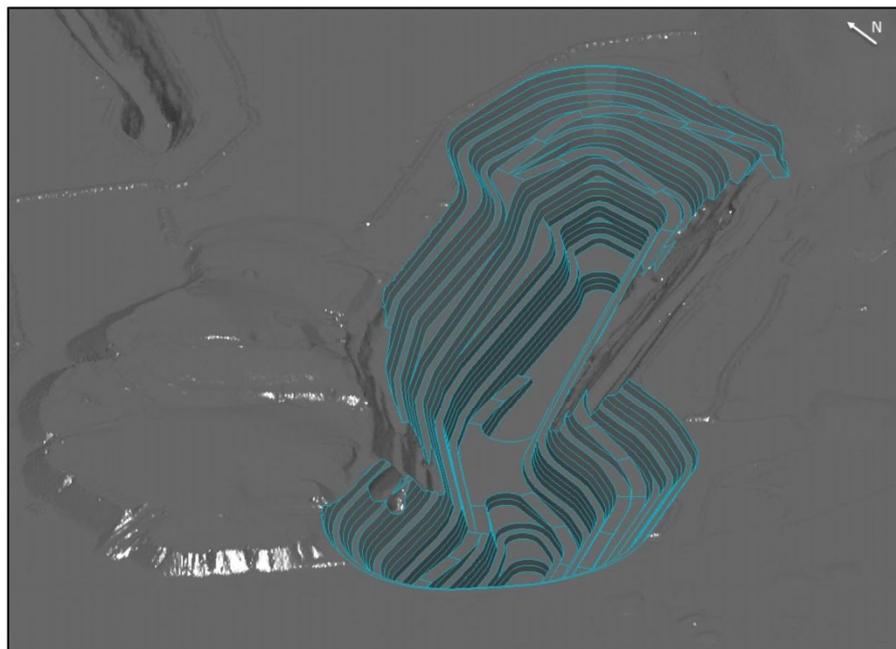


Figure 8: Sand King mine design

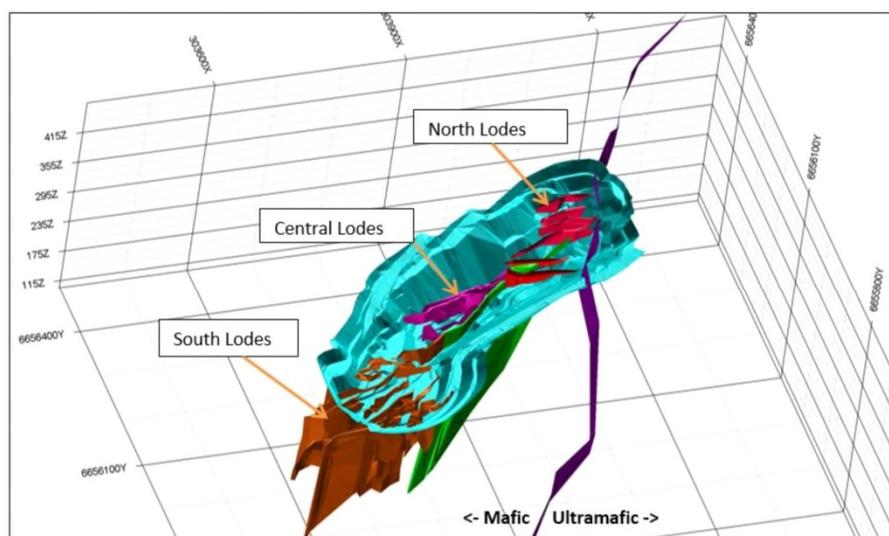


Figure 9: Sand King mineralised lodes

#### 4.3.2 Missouri

The Missouri deposit is amenable to open pit mining operations. The deposit is located close to surface and is in a favourable orientation for potential open pit mining operations.















Table 8: Market value of EGS's Mineral Resources

Resource	Classification	Gold (oz)	Valuation factors (A\$/oz)			JORC discount factor	Valuation (A\$ millions)		
			Low	Preferred	High		Low	Preferred	High
Golden Eagle	Indicated	28,000	12	15	18	1.0	0.67	0.84	1.01
	Inferred	28,000	8	10	12	1.0	0.42	0.52	0.62
Waihi	Indicated	62,000	24	30	36	1.0	1.49	1.86	2.33
	Inferred	9,000	16	20	24	1.0	0.14	0.18	0.22
Lady Gladys	Inferred	115,000	8	10	12	0.8	0.74	0.92	1.10
Riverina Area	Indicated	73,000	12	15	18	1.0	1.75	2.19	2.63
	Inferred	132,000	8	10	12	1.0	2.11	2.64	3.17
Forehand	Inferred	48,000	8	10	12	0.8	0.31	0.38	0.46
Silver Tongue	Inferred	14,000	8	10	12	0.8	0.09	0.11	0.13
Sand King	Indicated	190,000	24	30	36	1.0	4.56	5.70	6.84
	Inferred	82,000	16	20	24	1.0	1.31	1.64	1.97
Missouri	Indicated	194,000	24	30	36	1.0	4.66	5.82	6.98
	Inferred	33,000	16	20	24	1.0	0.53	0.66	0.79
Callion	Indicated	8,000	24	30	36	1.0	0.19	0.24	0.29
	Inferred	6,000	16	20	24	1.0	0.10	0.12	0.14
Walhalla	Inferred	36,000	8	10	12	0.8	0.23	0.29	0.35
Walhalla North	Inferred	9,000	8	10	12	0.8	0.06	0.07	0.09
Mount Banjo	Inferred	14,000	8	10	12	0.8	0.09	0.11	0.13
Macedon	Inferred	11,000	8	10	12	0.8	0.07	0.09	0.11
Baldock	Inferred	81,000	8	10	12	0.8	0.52	0.65	0.78
Meteor	Inferred	43,000	8	10	12	0.8	0.28	0.34	0.41
Whinnen	Inferred	17,000	8	10	12	0.8	0.11	0.14	0.16
<b>TOTAL</b>	<b>All</b>	<b>1,230,000</b>	-	-	-	-	<b>20.41</b>	<b>25.51</b>	<b>30.62</b>

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

Table 9: Market value of EGS's Brownfields Potential

Resource	Classification	Gold (oz)	Valuation factors (A\$/oz)			JORC discount factor	Insufficient data factor	Valuation (A\$ millions)		
			Low	Preferred	High			Low	Preferred	High
Lights of Israel	Inferred	35,000	8	10	12	0.8	0.5	0.11	0.14	0.17
Makal Shoot	Inferred	136,000	8	10	12	0.8	0.5	0.44	0.54	0.65
Sunraysia	Inferred	32,000	8	10	12	0.8	0.5	0.10	0.13	0.15
Palmerston/Camperdown	Inferred	22,000	8	10	12	0.8	0.5	0.07	0.09	0.11
Bewick Moreing	Inferred	4,000	8	10	12	0.8	0.5	0.01	0.02	0.02
Black Rabbit	Inferred	49,000	8	10	12	0.8	0.5	0.16	0.20	0.24
Thiel Well	Inferred	3,000	8	10	12	0.8	0.5	0.01	0.01	0.01
Federal Flag	Inferred	28,000	8	10	12	0.8	0.5	0.09	0.11	0.13
Salmon Gums	Inferred	28,000	8	10	12	0.8	0.5	0.09	0.11	0.13
Iguana*	Inferred	177,000	8	10	12	0.8	0.5	-	0.08	0.17
Lizard*	Inferred	24,000	8	10	12	0.8	0.5	-	0.01	0.02
<b>TOTAL</b>	<b>Inferred</b>	<b>538,000</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>0.8</b>	<b>0.5</b>	<b>1.08</b>	<b>1.44</b>	<b>1.81</b>

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

\*An additional 0-0.2 discount multiplier factor was applied to the Iguana and Lizard Mineral Resources as per Section 5.3.

Table 10: Technical value of EGS Mineral Resources while in administration

Resource	Classification	Gold (oz)	Valuation (A\$ millions)			Administration discount range		Administration valuation (A\$ millions)		
			Low	Preferred	High	Low	High	Low	Preferred	High
Golden Eagle	Indicated	28,000	0.67	0.84	1.01	0.4	0.85	0.27	0.56	0.86
	Inferred	28,000	0.42	0.52	0.62	0.4	0.85	0.17	0.35	0.53
Waihi	Indicated	62,000	1.49	1.86	2.33	0.4	0.85	0.60	1.25	1.90
	Inferred	9,000	0.14	0.18	0.22	0.4	0.85	0.06	0.12	0.18
Lady Gladys	Inferred	115,000	0.74	0.92	1.10	0.4	0.85	0.29	0.62	0.94
Riverina Area	Indicated	73,000	1.75	2.19	2.63	0.4	0.85	0.70	1.47	2.23
	Inferred	132,000	2.11	2.64	3.17	0.4	0.85	0.84	1.77	2.69
Forehand	Inferred	48,000	0.31	0.38	0.46	0.4	0.85	0.12	0.26	0.39
Silver Tongue	Inferred	14,000	0.09	0.11	0.13	0.4	0.85	0.04	0.08	0.11
Sand King	Indicated	133,000	4.56	5.70	6.84	0.4	0.85	1.82	3.82	5.81
	Inferred	139,000	1.31	1.64	1.97	0.4	0.85	0.52	1.10	1.67
Missouri	Indicated	135,000	4.66	5.82	6.98	0.4	0.85	1.86	3.90	5.94
	Inferred	91,000	0.53	0.66	0.79	0.4	0.85	0.21	0.44	0.67
Callion	Indicated	8,000	0.19	0.24	0.29	0.4	0.85	0.08	0.16	0.24
Walhalla	Inferred	6,000	0.10	0.12	0.14	0.4	0.85	0.04	0.08	0.12
	Inferred	36,000	0.23	0.29	0.35	0.4	0.85	0.09	0.19	0.29
Walhalla North	Inferred	9,000	0.06	0.07	0.09	0.4	0.85	0.02	0.05	0.07
Mount Banjo	Inferred	14,000	0.09	0.11	0.13	0.4	0.85	0.04	0.08	0.11
Macedon	Inferred	11,000	0.07	0.09	0.11	0.4	0.85	0.03	0.06	0.09
Baldock	Inferred	81,000	0.52	0.65	0.78	0.4	0.85	0.21	0.43	0.66
Meteor	Inferred	43,000	0.28	0.34	0.41	0.4	0.85	0.11	0.23	0.35
Whinnen	Inferred	17,000	0.11	0.14	0.16	0.4	0.85	0.04	0.09	0.14
<b>TOTAL</b>	<b>All</b>	<b>1,230,000</b>	<b>20.41</b>	<b>25.51</b>	<b>30.62</b>	<b>0.4</b>	<b>0.85</b>	<b>8.16</b>	<b>17.09</b>	<b>26.02</b>

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

Table 11: Technical value of EGS Brownfields Potential while in administration

Resource	Classification	Gold (oz)	Valuation (A\$ millions)			Administration Discount Range		Administration Valuation (A\$ millions)		
			Low	Preferred	High	Low	High	Low	Preferred	High
Lights of Israel	Inferred	35,000	0.11	0.14	0.17	0.4	0.85	0.04	0.09	0.14
Makai Shoot	Inferred	136,000	0.44	0.54	0.65	0.4	0.85	0.17	0.36	0.55
Sunraysia	Inferred	32,000	0.10	0.13	0.15	0.4	0.85	0.04	0.09	0.13
Palmerston/Camperdown	Inferred	22,000	0.07	0.09	0.11	0.4	0.85	0.03	0.06	0.09
Bewick Moreing	Inferred	4,000	0.01	0.02	0.02	0.4	0.85	0.01	0.01	0.02
Black Rabbit	Inferred	49,000	0.16	0.20	0.24	0.4	0.85	0.06	0.13	0.20
Thiel Well	Inferred	3,000	0.01	0.01	0.01	0.4	0.85	0.004	0.01	0.01
Federal Flag	Inferred	28,000	0.09	0.11	0.13	0.4	0.85	0.04	0.08	0.11
Salmon Gums	Inferred	28,000	0.09	0.11	0.13	0.4	0.85	0.04	0.08	0.11
Iguana*	Inferred	177,000	0.57	0.71	0.85	0.4	0.85	-	0.07	0.14
Lizard*	Inferred	24,000	0.08	0.10	0.12	0.4	0.85	-	0.01	0.02
<b>TOTAL</b>	<b>Inferred</b>	<b>538,000</b>	<b>1.72</b>	<b>2.15</b>	<b>2.58</b>	<b>0.4</b>	<b>0.85</b>	<b>0.43</b>	<b>0.99</b>	<b>1.54</b>

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.  
 \*An additional 0-0.2 discount multiplier factor was applied to the Iguana and Lizard Mineral Resources as per Section 5.3.













































## Appendix B: Comparable Transactions

Table B1: Selected comparative transactions of gold Mineral Resources in Australia

Date	Project	Buyer	Seller	Mineral Resource grade (g/t)	Mineral Resource contained Au (Moz)	Measured and Indicated Resources (%)	Transaction value (100% ASM)	Implied value A\$/oz	Normalised value A\$/oz
13-Dec-18	Devon	Matsa Resources Ltd	GME Resources Ltd	2.70	0.04	63	0.10	2.78	2.93
12-Dec-18	New Hope	Chinova Resources Cloncurry Mines Pty Ltd	Pegmont Mines Ltd	6.80	0.03	89	0.58	20.31	21.31
14-Nov-18	Snake Well	Adaman Resources Pty Ltd	Kalamazoo Resources Ltd	2.45	0.14	48	6.14	43.53	47.31
14-Nov-18	Zelica	Matsa Resources Ltd	Anova Metals Ltd	1.63	0.03	63	0.15	4.97	5.40
16-Oct-18	Penny West	Spectrum Metals Ltd	Patina Resources Pty Ltd and Plateaux Resources Pty Ltd	5.00	0.04	78	1.00	27.78	29.24
13-Sep-18	Marda	Ramelius Resources Ltd	Black Oak Minerals Ltd (in Administration)	1.96	0.33	76	13.00	38.98	42.17
30-Jul-18	Central Tanami	Northern Star Resources Ltd	Tanami Gold NL	2.80	2.74	59	133.33	48.59	53.21
17-May-18	Kirkalocka	Adaman Resources Pty Ltd	Shandong Tyan Home Co. Ltd	1.10	0.55	78	12.00	21.90	23.12
29-Jan-18	Horse Well	Alloy Resources Ltd	Doray Minerals Ltd	2.76	0.08	0	4.55	60.53	66.14
1-Dec-17	Eureka	Tyranna Resources Ltd	Central Iron Ore Ltd	4.40	0.06	0	3.20	49.84	53.36
23-Jun-17	Tuckabianna Gold Project	Westgold Resources Ltd	Silver Lake Resources Ltd	2.04	0.52	31	8.50	16.22	17.69
18-May-17	Kat Gap	Classic Minerals Ltd	Sulphide Resources Pty Ltd	2.90	0.04	Unknown	0.40	9.45	10.14
5-May-17	Black Cat	Beacon Minerals Ltd	Flinders Exploration Ltd	2.00	0.02	53	0.59	24.80	27.08
24-Apr-17	Bundarra Gold	Saracen Mineral Holdings Ltd	Bligh Resources Ltd	1.90	0.43	67	9.00	20.88	22.46
8-Mar-17	Ant Hill	Intermin Resources Ltd	Echo Resources Ltd	1.00	0.16	18	0.30	1.88	2.12
23-Feb-17	Blayney	Regis Resources Ltd	Aeris Resources Ltd	0.66	1.10	18	3.25	2.97	3.32
22-Dec-16	Dalgaranga	Gascoyne Resources Ltd	Private Vendor	1.40	1.12	63	43.68	39.00	45.04
6-Dec-16	Trojan	Overland Resources Ltd	Westgold Resources Ltd	1.61	0.14	64	0.88	6.10	7.03
1-Nov-16	Cargo	Agricultural Equity Investments Pty Ltd	Golden Cross Resources limited	0.84	0.28	0	0.50	1.78	1.92
3-Aug-16	Coolgardie	Primary Gold Ltd	MacPhersons Resources Ltd	1.63	0.20	62	9.45	47.11	47.60
21-Jul-16	Lake Carey	Matsa Resources Ltd	Fortitude Gold Pty Ltd	1.90	0.39	45	1.75	4.54	4.66



**EASTERN GOLDFIELDS LIMITED (ADMINISTRATOR APPOINTED)**  
INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION OF EASTERN GOLDFIELDS MINERAL ASSETS

Date	Project	Buyer	Seller	Mineral Resource grade (g/t)	Mineral Resource contained Au (Moz)	Measured and Indicated Resources (%)	Transaction value (100%) AS\$M	Implied value AS/oz	Normalised value AS/oz
12-May-16	Plutonic Dome	Vango Mining Ltd	Dampier Gold Ltd	3.10	0.82	54	5.50	6.71	7.03
6-May-16	Zeus	Hanking Gold Mining Pty Ltd	Cazaly Resources Ltd	1.97	0.03	0	0.22	7.42	7.66
4-May-16	Sandstone	Middle Island Resources Ltd	Black Oak Minerals Ltd (in Administration)	1.38	0.48	4	2.50	5.21	5.50
31-Mar-16	Gunga West Gold Project	Metals X Ltd	Kidman Resources Ltd	1.70	0.07	82	1.50	20.55	23.18
27-Jan-16	Burbanks & Gunga West	Kidman Resources Ltd	Blue Tiger Mines Pty Ltd	2.85	0.17	30	7.50	43.60	49.82
21-Dec-15	Twin Hills	Mielrose Resources Pty Ltd	Golden Deeps Ltd	20.86	0.01	100	0.05	4.25	5.12
18-Dec-15	Mt Holland	Kidman Resources Ltd	Convergent Minerals Ltd (in Administration)	1.61	0.93	63	3.50	3.77	4.60
16-Dec-15	Spring Hill	PC Gold Pty Ltd	Thor Mining Plc	1.74	0.39	100	3.36	8.65	10.47
10-Nov-15	Cheritons Find	Hanking Gold Mining Pty Ltd	Riedel Resources Ltd	2.46	0.11	0	0.70	6.33	7.38
26-Oct-15	Karlawinda	Malagasy Minerals Ltd	Greenmount Resources Pty Ltd	1.10	0.65	0	6.00	9.22	10.38
20-Aug-15	Kallis & King of the Hills	Saracen Mineral Holdings Ltd	St Barbara Ltd	5.15	0.39	98	2.14	5.46	6.31
18-Aug-15	Redcliffe	Northern Manganese Ltd	Redcliffe Resources Ltd	1.57	0.28	30	0.98	3.53	4.19
5-Aug-15	Spargoville	Maximus Resources Ltd	Tychean Resources Ltd	17.99	0.13	93	0.75	5.73	7.02
31-Jul-15	Mt Henry	Metals X Ltd	Panoramic Resources Ltd and Matsa Resources Ltd	1.19	1.66	76	24.75	14.95	18.16
31-Jul-15	Grosvenor Gold and Peak Hill	Metals X Ltd	Resource & Investment NL	1.79	1.97	66	20.25	10.28	12.49
9-Jun-15	Ulysses	Genesis Minerals Ltd	Private Vendor	2.10	0.14	93	0.66	4.77	5.63
26-Mar-15	Beatons Creek	Novo Resources Corporation	Millennium Minerals Ltd	1.50	0.42	0	3.80	9.03	10.61
24-Feb-15	Hermes	Northern Star Resources Ltd	Alchemy Resources Ltd	2.00	0.21	100	1.45	6.84	8.08
24-Dec-14	Nannine	Metals X Ltd	GMK Exploration Pty Ltd (in Administration)	2.13	0.09	Unknown	0.20	2.20	2.75
13-Nov-14	White Well	Private purchaser	Mutiny Gold Ltd and Private Individual	0.77	0.11	81	1.30	11.50	15.65
7-Nov-14	Mt Jewell	Norton Gold Fields Ltd	KalNorth Gold Mines Ltd	1.00	0.28	77	1.80	6.53	8.74

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**EASTERN GOLDFIELDS LIMITED (ADMINISTRATOR APPOINTED)**  
INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION OF EASTERN GOLDFIELDS MINERAL ASSETS

Date	Project	Buyer	Seller	Mineral Resource grade (g/t)	Mineral Resource contained Au (Moz)	Measured and Indicated Resources (%)	Transaction value (100%) A\$M	Implied value A\$/oz	Normalised value A\$/oz
29-Sep-14	Suplejack	ABM Resources NL	Ord River Resources Ltd	1.29	0.10	0	0.75	7.38	9.57
15-Sep-14	Withorpe	Resourceful Mining Group Pty Ltd	Meteorite Resources NL	1.52	0.06	35	0.45	7.31	9.68
5-Sep-14	Dalgaranga, Egerton, Glenburgh	Monument Mining Ltd	Gascoyne Resources Ltd	1.59	1.76	40	49.22	27.89	37.36
28-Aug-14	Tuckanarra	Monument Mining Ltd	Phosphate Australia Ltd	1.58	0.10	56	3.90	39.08	51.31
28-Jul-14	Majestic	Silver Lake Resources Ltd	Newcrest Mining Ltd	2.78	0.25	80	10.02	40.05	52.27
26-Jun-14	Weerianna	Artemis Resources Ltd	Unknown	2.17	0.07	0	0.60	8.58	11.11
10-Jun-14	Kathleen Valley	Ramelius Resources Ltd	Glencore PLC	2.80	0.13	22	4.05	31.15	41.88
15-May-14	Bronzewing	Metaliko Resources Ltd	Navigator Resources Ltd (in Administration)	2.50	0.88	69	4.00	4.54	5.90
14-May-14	Meeekatharra	Metals X Ltd	GMK Exploration Pty Ltd (in Administration)	1.75	3.55	62	7.70	2.17	2.82
4-Apr-14	Leonora	Kin Mining NL	Navigator Resources Ltd (in Administration)	1.90	0.75	72	2.70	3.62	4.67
13-Mar-14	Lake Carey & Phantom Well	Fortitude Gold Pty Ltd	Midas Resources Ltd	1.90	0.39	47	0.33	0.86	1.02
10-Feb-14	Halls Creek (Biscay)	Pacific Nuigini Ltd	Bulliton Resource Ltd	5.20	0.29	63	5.71	19.44	24.67
6-Feb-14	Sand Queen (Comet Vale)	Not specified	Reed Resources Ltd	7.65	0.21	46	2.00	9.50	12.27
21-Jan-14	Thunderbox	Saracen Mineral Holdings Ltd	Norilsk Nickel Australia Pty Ltd	1.60	2.09	83	23.00	11.00	14.13
20-Jan-14	Wiluna	Blackham Resources Ltd	Apex Minerals NL (in Administration)	5.29	2.85	51	2.00	0.70	0.89

Notes:

- The spot price used for normalising the transactions was A\$1,810.10/oz.
- Transactions highlighted in red were transactions from a company in administration.

Table B2: Comparative transactions of exploration licences prospective for gold in Australia

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A\$K	Implied value A\$/km <sup>2</sup>	Normalised value A\$/km <sup>2</sup>
3-Sep-18	Mon Ami Area	Great Southern Mining Ltd	Strategic Minerals Plc	Au	Acquisition – 100%	145	2,876	2,903
23-Aug-18	Pilbara	Pacton Gold Inc.	Arrow Minerals Ltd	Au	Acquisition – 49%	4,147	6,809	6,993
31-Jul-18	Holleton	Ramelius Resources Ltd	Element 25 Ltd	Au	Acquisition – 100%	1,000	2,604	2,662
18-Jun-18	Ruby Plains	Dampier Gold Ltd	Private seller	Au	Acquisition – 100%	473	577	563
7-Jun-18	Lefroy	St Ives Gold Mining Company Pty Ltd	Lefroy Exploration Ltd	Au	Joint Venture – 51%	16,996	45,688	45,183
25-May-18	South Darlot	Kingwest Resources Ltd	Central Iron Ore Ltd	Au	Acquisition – 100%	580	2,007	1,954
8-May-18	Euro	Newcrest Mining Ltd	Prodigy Gold NL	Au	Joint Venture – 51%	9,723	2,796	2,674
4-May-18	Kirkalocka	Bar None Exploration Pty Ltd	Blaze International Ltd	Au	Acquisition – 100%	100	3,012	2,904
18-Jan-19	Paynes Find	Oakajee Corporation Ltd	Atgold Pty Ltd	Au	Purchase - 80	44	974	985
11-Dec-18	Penny West	Spectrum Metals Ltd	Private seller	Au	Purchase - 100	15	3,359	3,519
15-Oct-18	Mount Hawthorn	Marindi Metals Ltd	Bar None Exploration Pty Ltd	Au	Purchase - 100	41	2,831	2,982
11-Oct-18	Hong Kong	Pacton Gold Inc.	Clancy Exploration Ltd	Au	Purchase - 100	1,770	44,073	46,526
27-Sep-18	Golden Palm	Pacton Gold Inc.	Private seller	Au	Purchase - 100	280	11,373	12,561
20-Sep-18	Wallbrook	Nexus Minerals Ltd	Newmont Exploration Pty Ltd	Au	Purchase - 100	13	69	75
3-Sep-18	Mon Ami Area	Great Southern Mining Ltd	Strategic Minerals Plc	Au	Purchase - 100	145	2,876	3,127
3-Sep-18	Drummond	Evolution Mining Ltd	Andormedia Metals Ltd	Au	Joint Venture - 51	4,153	7,987	8,683
23-Aug-18	Pilbara	Pacton Gold Inc.	Arrow Minerals Ltd	Au	Purchase - 49	4,147	6,809	7,533
31-Jul-18	Holleton	Ramelius Resources Ltd	Element 25 Ltd	Au	Purchase - 100	1,000	2,604	2,868
18-Jun-18	Ruby Plains	Dampier Gold Ltd	Private seller	Au	Purchase - 100	473	577	606
7-Jun-18	Lefroy	St Ives Gold Mining Company Pty Ltd	Lefroy Exploration Ltd	Au	Joint Venture - 51	16,996	45,688	48,670
25-May-18	South Darlot	Kingwest Resources Ltd	Central Iron Ore Ltd	Au	Purchase - 100	580	2,007	2,105
8-May-18	Euro	Newcrest Mining Ltd	Prodigy Gold NL	Au	Joint Venture - 51	9,723	2,796	2,881
4-May-18	Kirkalocka	Bar None Exploration Pty Ltd	Blaze International Ltd	Au	Purchase - 100	100	3,012	3,128
2-May-18	Connors Arc	Evolution Mining Ltd	Orion Minerals Ltd	Au	Purchase - 100	2,500	781	812
18-Apr-18	Slate Dam	Aruma Resources Ltd	Rare Earth Contracting Pty Ltd	Au	Purchase - 100	66	3,474	3,622



**EASTERN GOLDFIELDS LIMITED (ADMINISTRATOR APPOINTED)**  
INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION OF EASTERN GOLDFIELDS MINERAL ASSETS

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A\$K	Implied value A\$/km <sup>2</sup>	Normalised value A\$/km <sup>2</sup>
16-Apr-18	Ockerburry Hill	Red 5 Ltd	AngloGold Ashanti Australia Ltd	Au	Purchase - 100	45	664	692
29-Mar-18	Warwoona	Calidus Resources Ltd	Gardner Mining Pty Ltd	Au	Purchase - 100	77	1,714	1,798
26-Feb-18	Queen Lapage	Riversgold Ltd	Alloy Resources Ltd	Au	Joint Venture - 70	448	1,392	1,483
5-Feb-18	South Yamarna	Gold Road Resources Ltd	Sumitomo Metal Mining Oceana Pty Ltd	Au	Purchase - 50	14,000	5,675	6,102
31-Jan-18	Mary River	Pantoro Ltd	Private Seller	Au	Purchase - 100	80	1,246	1,358
22-Dec-17	Hacks Well	Matsa Resources Ltd	Australian Potash Ltd	Au	Purchase - 100	55	611	670
22-Dec-17	Mt Roe	NXGold Ltd	Roe Gold Ltd	Au	Purchase - 80	8,421	701,708	769,404
22-Dec-17	Omni Projects	Gateway Mining Ltd	OMINI GeoX Pty Ltd	Au-BM	Purchase - 100	1,500	1,120	1,228
13-Dec-17	Pilbara Region	Tando Resources Ltd	Geko-Co Pty Ltd	Au	Option to Purchase - 100	223	9,935	10,976
12-Dec-17	Daigaranga	Gascoyne Resources Ltd	Private seller	Au	Purchase - 100	499	3,868	4,272
22-Nov-17	Eastman	Peako Ltd	Sandrib Pty Ltd	Au-BM	Joint Venture - 60	920	4,160	4,428
8-Nov-17	Croydon Top Camp	Coziron Resources Ltd	Creasy Group Companies	Au	Joint Venture - 70	1,829	5,768	6,233
6-Nov-17	Black Hills	Greatland Gold Plc	Private seller	Au	Purchase - 100	225	9,000	9,798
3-Oct-17	Mertondale East	Magnetic Resources NL	Private seller	Au	Purchase - 100	40	13,333	14,826
29-Sep-17	Charteris Creek	LMTD Wits Pty Ltd	Riedel Resources Ltd	Au	Purchase - 100	500	4,065	4,496
5-Sep-17	Yandal East	Overland Resources Ltd	Zabina Minerals Pty Ltd	Au	Option to purchase - 75	1,030	3,146	3,419
21-Aug-17	Pilbara	De Grey Mining Ltd	Private seller	Au	Joint Venture - 30	3,081	13,633	15,173
6-Jun-17	Dumbleyung	Ausgold Ltd	Chalice Gold Mines Ltd	Au	Purchase - 100	330	716	752
18-Nov-16	Harris Find	Great Western Exploration Ltd	Diversified Asset Holdings Pty Ltd and Brutus Constructions Pty Ltd	Au	Purchase - 80	619	17,203	18,944
27-Jul-16	Monument	Syndicated Metals Ltd	Monument Exploration Pty Ltd	Au	Purchase - 100	250	1,190	1,211
31-May-16	Mt Gill & Mt Howe	Gold Road Resources Ltd	Breaker Resources Ltd	Au	Purchase - 100	50	226	244
11-Mar-16	Doolguma	DGO Gold Ltd	Tasex Geological Services Pty Ltd	Au-Cu	Joint Venture - 51	170	2,499	2,717
4-Nov-15	Duffy Well	Doray Minerals Ltd	Mithril Resources Ltd	Au	Joint Venture - 51	579	5,910	6,866
8-Sep-15	Jillewarra	Timpetra Resources Ltd	Zebina Minerals Pty Ltd	Au	Joint Venture - 80	731	3,275	3,698
1-Sep-15	Combaning, Barellean	Faraday Resources Pty Ltd	Carpentaria Exploration Ltd	Au	Joint Venture - 90	212	366	409

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A\$K	Implied value A\$/km <sup>2</sup>	Normalised value A\$/km <sup>2</sup>
20-Jul-15	Prospect Creek	Cape Clear Minerals Pty Ltd	ActiveEX Ltd	Au	Joint Venture - 50	372	4,598	5,528
14-Jul-15	Duketon	Regis Resources Ltd	Duketon Mining Ltd	Au	Joint Venture - 75	1,345	3,607	4,208
2-Jul-15	Fraser Range	Legend Mining Ltd	Cresay Group Companies	Ni-Cu-Au	Purchase - 70	4,286	1,694	2,012
22-May-15	Lyndon	Shine Resources Pty Ltd	Latitude Consolidated Ltd	Au-BM	Purchase - 45	50	877	1,030
28-Apr-15	Mt Windsor	Red River Resources Ltd	NRE Exploration Pty Ltd	Au-Cu	Joint Venture - 51	505	3,278	3,917
29-Sep-14	Supplejack	ABM Resources NL	Ord River Resources	Au	Option to Joint Venture - 70	747	2,461	3,191
22-Sep-14	Cape Clear	Cape Clear Minerals Pty Ltd	Predictive Discovery Ltd	Au	Joint Venture - 51	467	2,912	3,853
16-Jul-14	Gnaweeda	Doray Minerals Ltd	Archean Star Resources Australia Pty Ltd	Au	Purchase - 88	568	3,190	4,153
23-Jun-14	Fraser Range South	MIRG Metals Ltd	Tasex Geological Services Pty Ltd	Ni-Au	Option to Purchase - 100	153	1,027	1,329
27-May-14	Highland Rocks	Ramellius Resources Ltd	Tychean Resources Ltd	Au	Joint Venture - 85	569	335	441
14-May-14 (Near Twin Bonanza)		ABM Resources NL	Toro Energy Ltd	Au	Purchase - 100	100	176	229
30-Apr-14	Marymia	Riedel Resources Ltd	Australian Mines Ltd	Cu-Au	Joint Venture - 51	2,628	6,182	8,016
26-Mar-14	Plumridge	Segue Resources Ltd	Fraser Range Metals Group Ltd	Ni-Cu-Au	Joint Venture - 51	2,176	3,395	4,346
10-Mar-14	Telfer Area	Newcrest Operations Ltd	Ram Resources Ltd	Au-Cu	Purchase - 100	646	8,418	10,250
7-Mar-14	Mystique Gold	Parmelia Resources Ltd	Black Fire Minerals Ltd and Entree Gold Inc.	Au	Purchase - 100	306	1,494	1,837
13-Feb-14	Zanithus	Rumble Resources Ltd	Blackham Resources Ltd	Ni-Cu-Au	Joint Venture - 20	300	811	1,016
16-Jan-14	Charteris Creek	Fortescue Metals Group	Riedel Resources Ltd	Au-BM-Fe	Joint Venture - 51	340	2,595	3,331

Notes:

- Prospective commodities; Au – gold, BM – base metals, Cu – copper, Ni – nickel.
- The Joint Venture transaction earn-in percentage is the first earn-in percentage.
- The spot price used for normalising the transactions was A\$1,680.42/oz
- Transactions highlighted in orange were considered outliers.

Table B3: Comparative transactions of prospecting licences prospective for gold in Western Australia

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A\$K	Implied value A\$/km <sup>2</sup>	Normalised value A\$/km <sup>2</sup>
10-Oct-18	Wombola	Torian Resources Ltd	Private seller	Au	Purchase - 100%	10	102,976	111,336
30-Aug-18	Bonnie Value	Torian Resources Ltd	Private seller	Au	Purchase - 100%	99	188,356	206,345
25-Jan-18	Golden Lode	MinTails Ltd	Investor group	Au	Purchase - 100%	600	51,414	55,399
5-Jan-18	Queenslander	Primary Gold Ltd	Private seller	Au	Purchase - 100%	19	65,749	70,866
18-Oct-17	Blue Moon	De Grey Mining Ltd	Private seller	Au	Purchase - 70%	940	1,316,973	1,458,217
22-Jun-17	Mertondaie	Kin Mining NL	Kazoo Nominees Pty Ltd	Au	Purchase - 100%	8	507	553
18-Jan-17	Transfield Extended	Southern Gold Ltd	Undisclosed seller	Au	Option to Purchase - 100%	215	347,241	391,131
9-Dec-16	Not Stated	Syndicated Metals Ltd	Undisclosed seller	Au	Purchase - 100%	25	9,653	11,195
8-Dec-16	Violet	Navigator Resources Ltd	Undisclosed seller	Au	Purchase - 100%	23	27,439	31,644
30-Nov-16	Not Stated	Western Mining Network Ltd	Redfield Pty Ltd	Au	Purchase - 100%	3	27,273	31,060
12-Oct-16	Mainlode East	Primary Gold Ltd	Undisclosed Seller	Au	Purchase - 100%	39	36,981	40,495
16-Feb-16	Goongarrie	Intermin Resources Ltd	Cove Resources Ltd	Au	Purchase - 100%	40	5,353	5,651
20-Mar-15	Ora Banda South	Siburan Resources Ltd	Western Resources Pty Ltd	Au	Joint Venture - 51%	267	29,080	34,490

Notes:

- Prospective commodities; Au – gold.
- The Joint Venture transaction earn-in percentage is the first earn-in percentage.
- Transactions highlighted in orange were considered outliers.

Table B4: Comparative transactions of mining licences prospective for gold in Western Australia

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A\$K	Implied value A\$/km <sup>2</sup>	Normalised value A\$/km <sup>2</sup>
10-Dec-18	Cannon	Northern Star Resources Ltd	Southern Gold Ltd	Au	Acquisition – 100%	78	66,926	69,827
23-Aug-18	Jungle Well	Saracen Metals Pty Ltd	PVW Mt Clifford Pty Ltd	Au	Acquisition – 100%	10	1,972	2,182
24-May-18	Mulwarrie	Goldfield Argonaut Pty Ltd	Spitfire Materials Ltd	Au	Acquisition – 49%	2,184	1,215,380	1,275,816
15-Mar-18	Trojan	Westgold Resources Ltd	Aruma Resources Ltd	Au	Acquisition – 100%	132	15,086	16,203
6-Mar-18	Nemesis	Private seller	Pantoro Ltd	Au	Acquisition – 80%	385	272,173	287,733
22-Feb-18	Mt Lucky	Valleybrook Investments Pty Ltd	Fortie Consolidated Ltd	Au	Acquisition – 100%	550	940,814	1,006,171
17-Jan-18	Wallbrook	Saracen Mineral Holdings Ltd	Nexus Minerals Ltd	Au	Acquisition – 100%	142	5,837	6,313
13-Nov-17	Birthday Gift	Kidman Resources Ltd	Barra Resources Ltd	Au	Acquisition – 100%	121	39,888	43,104
6-Nov-17	Fieldings Gully	Haoma Mining Ltd	Calidus Resources Ltd	Au	Acquisition – 100%	2,113	171,191	186,362
29-Sep-17	Red Dog	Private seller	Matsa Resources Ltd	Au	Acquisition – 100%	125	153,186	169,410
5-Sep-17	Western Queen	Ramelius Resources Ltd	Monax Mining Ltd	Au	Joint Venture – 60%	2,889	294,825	320,352
5-May-17	Jaurdi	Flinders Exploration Ltd and JH Mining Ltd	Beacon Minerals Ltd	Au	Acquisition – 100%	580	101,754	111,121
24-Jan-17	Menzies	Private seller	Intermin Resources Ltd	Au	Acquisition – 30%	83	16,700	18,904

Notes:

- Prospective commodities; Au – gold.
- The Joint Venture transaction earn-in percentage is the first earn-in percentage.
- Transactions highlighted in orange were considered outliers.

## Appendix C: Detailed Yardstick Valuation

Table C1: EGS's Mineral Resources – detailed Yardstick valuation

Mineral Resource	Resource category	Gold (oz)	Yardstick factors			JORC discount	Market valuation (A\$M)			Admin discount range			Administration valuation (A\$M)		
			Low	Preferred	High		Low	Preferred	High	Low	High	Low	Preferred	High	
Golden Eagle	Indicated	28,000	1.00%	1.50%	2.00%	1.0	0.51	0.76	1.01	0.40	0.85	0.20	0.53	0.86	
	Inferred	26,000	0.50%	0.75%	1.00%	1.0	0.24	0.35	0.47	0.40	0.85	0.09	0.25	0.40	
Waihi	Indicated	62,000	1.00%	1.50%	2.00%	1.0	1.12	1.68	2.24	0.40	0.85	0.45	1.18	1.91	
	Inferred	9,000	0.50%	0.75%	1.00%	1.0	0.08	0.12	0.16	0.40	0.85	0.03	0.09	0.14	
Lady Gladys	Inferred	115,000	0.50%	0.75%	1.00%	0.8	0.83	1.25	1.67	0.40	0.85	0.33	0.87	1.42	
	Indicated	73,000	1.00%	1.50%	2.00%	1.0	1.32	1.98	2.64	0.40	0.85	0.53	1.39	2.25	
Riverina Area	Inferred	132,000	0.50%	0.75%	1.00%	1.0	1.19	1.79	2.39	0.40	0.85	0.48	1.25	2.03	
	Inferred	48,000	0.50%	0.75%	1.00%	0.8	0.35	0.52	0.70	0.40	0.85	0.14	0.36	0.59	
Silver Tongue	Inferred	14,000	0.50%	0.75%	1.00%	0.8	0.10	0.15	0.20	0.40	0.85	0.04	0.11	0.17	
	Indicated	190,000	1.00%	1.50%	2.00%	1.0	3.44	5.16	6.88	0.40	0.85	1.38	3.61	5.85	
Sand King	Inferred	82,000	0.50%	0.75%	1.00%	1.0	0.74	1.11	1.48	0.40	0.85	0.30	0.78	1.26	
	Indicated	194,000	1.00%	1.50%	2.00%	1.0	3.51	5.27	7.02	0.40	0.85	1.40	3.69	5.97	
Missouri	Inferred	33,000	0.50%	0.75%	1.00%	1.0	0.30	0.45	0.60	0.40	0.85	0.12	0.31	0.51	
	Indicated	8,000	1.00%	1.50%	2.00%	1.0	0.14	0.22	0.29	0.40	0.85	0.06	0.15	0.25	
Callion	Inferred	6,000	0.50%	0.75%	1.00%	1.0	0.05	0.08	0.11	0.40	0.85	0.02	0.06	0.09	
	Inferred	36,000	0.50%	0.75%	1.00%	0.8	0.26	0.39	0.52	0.40	0.85	0.10	0.27	0.44	
Walhalla	Inferred	9,000	0.50%	0.75%	1.00%	0.8	0.06	0.09	0.12	0.40	0.85	0.02	0.07	0.11	
	Inferred	14,000	0.50%	0.75%	1.00%	0.8	0.10	0.15	0.20	0.40	0.85	0.04	0.10	0.17	
Mount Banjo	Inferred	11,000	0.50%	0.75%	1.00%	0.8	0.08	0.12	0.16	0.40	0.85	0.03	0.08	0.14	
	Inferred	81,000	0.50%	0.75%	1.00%	0.8	0.59	0.88	1.17	0.40	0.85	0.23	0.62	1.00	
Mieteor	Inferred	43,000	0.50%	0.75%	1.00%	0.8	0.31	0.47	0.62	0.40	0.85	0.12	0.33	0.53	
	Inferred	17,000	0.50%	0.75%	1.00%	0.8	0.12	0.18	0.25	0.40	0.85	0.05	0.13	0.21	
<b>TOTAL</b>	<b>All</b>	<b>1,230,000</b>	-	-	-	-	<b>15.45</b>	<b>23.18</b>	<b>30.91</b>		<b>6.18</b>	<b>16.23</b>	<b>26.27</b>		

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

Table C2: EGS's Brownfields Potential – detailed Yardstick valuation

Mineral Resource	Resource category	Gold (oz)	Yardstick factors			JORC discount	Insufficient data discount	Market valuation (A\$M)			Admin discount range			Administration valuation (A\$M)		
			Low	Preferred	High			Low	Preferred	High	Low	Preferred	High	Low	Preferred	High
Lights of Israel	Inferred	35,000	0.50%	0.75%	1.00%	0.8	0.5	0.13	0.19	0.25	0.40	0.85	0.05	0.13	0.22	
Makai Shoot	Inferred	136,000	0.50%	0.75%	1.00%	0.8	0.5	0.49	0.74	0.98	0.40	0.85	0.20	0.52	0.84	
Sunrayasia	Inferred	32,000	0.50%	0.75%	1.00%	0.8	0.5	0.12	0.17	0.23	0.40	0.85	0.05	0.12	0.20	
Palmerston/ Camperdown	Inferred	22,000	0.50%	0.75%	1.00%	0.8	0.5	0.08	0.12	0.16	0.40	0.85	0.03	0.08	0.14	
Bewick Moreing	Inferred	4,000	0.50%	0.75%	1.00%	0.8	0.5	0.01	0.02	0.03	0.40	0.85	0.01	0.02	0.02	
Black Rabbit	Inferred	49,000	0.50%	0.75%	1.00%	0.8	0.5	0.18	0.27	0.35	0.40	0.85	0.07	0.19	0.30	
Thiel Well	Inferred	3,000	0.50%	0.75%	1.00%	0.8	0.5	0.01	0.02	0.02	0.40	0.85	0.004	0.01	0.02	
Federal Flag	Inferred	28,000	0.50%	0.75%	1.00%	0.8	0.5	0.10	0.15	0.20	0.40	0.85	0.04	0.11	0.17	
Salmon Gums	Inferred	28,000	0.50%	0.75%	1.00%	0.8	0.5	0.10	0.15	0.20	0.40	0.85	0.04	0.11	0.17	
Iguana*	Inferred	177,000	0.50%	0.75%	1.00%	0.8	0.5	-	0.13	0.26	0.40	0.85	-	0.11	0.22	
Lizard*	Inferred	24,000	0.50%	0.75%	1.00%	0.8	0.5	-	0.02	0.03	0.40	0.85	-	0.01	0.03	
<b>TOTAL</b>	<b>Inferred</b>	<b>538,000</b>	-	-	-	-	-	<b>1.22</b>	<b>1.98</b>	<b>2.73</b>	-	-	<b>0.49</b>	<b>1.40</b>	<b>2.32</b>	

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

\*An additional 0-0.2 discount multiplier factor was applied to the Iguana and Lizard Mineral Resources as per Section 5.3.









## 10. Solicitors Report

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Mr Andrew Smith and Mr Martin Jones  
Deed Administrators of Eastern Goldfields Limited  
Level 28, 108 St Georges Terrace  
Perth WA 6000

29 March 2019

Dear Sirs

### **SOLICITOR'S REPORT ON MINING TENEMENTS – EASTERN GOLDFIELDS LIMITED**

This report is prepared for inclusion in a prospectus issued by Eastern Goldfields Limited (Subject to Deed of Company Arrangement) (ACN 100 038 266) which is to be renamed Ora Banda Mining Limited in connection with a capital raising which comprises:

1. a 1 for 1 renounceable entitlement offer priced at 1 cent per share to raise approximately \$7.6 million;
2. an offer of shares not subscribed for under the entitlement offer;
3. an offer of convertible notes to raise up to \$38.1 million; and
4. an offer of shares priced at 1 cent per share to raise up to \$4 million subject to shareholder approval.

### **OVERVIEW**

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#### **DOCA**

- 1 On 12 February 2019, Eastern Goldfields Limited and its subsidiaries (together the **Company**) entered into a deed of company arrangement (**DOCA**) with Hawke's Point Holdings I Limited, its administrators and various creditors.
- 2 Pursuant to the DOCA:
  - 2.1 the creditors agreed to a standstill from the date of appointment of the Administrators (29 November 2018) until completion of the DOCA;
  - 2.2 not less than \$22 million will be raised to satisfy the obligations of the Company under the DOCA and provide the Company with adequate working capital instated to quotation on ASX;

- 2.3 the secured creditors agreed, subject to shareholder approval, to convert their existing convertible notes into shares at 1 cent per share;
  - 2.4 the supporting unsecured creditors agreed to accept a cash payment out of the capital raising equal to 22 cents of 60% of each agreed claim amount and, subject to shareholder approval, convert the remaining 40% of their respective agreed claims to shares in full satisfaction of the respective debts owed to them by the Company;
  - 2.5 other unsecured creditors will be split under pool A and pool B, subject to whether their claimed debt is less or greater than \$50,000;
  - 2.6 any amounts due and payable to employees with respect to wages and other employee entitlements will be paid in full; and
  - 2.7 any government, statutory authority or regulator will be paid in full if non-payment of such a debt puts at risk any of the assets of the Company.
- 3 On completion of the DOCA, the control of the Company will return to the directors and the sum of \$7.3 million out of the capital raising will be paid to the trustee of a creditors trust to satisfy the amounts referred to in paragraphs 2.5 to 2.7.

### Scope of Report

- 4 The Deed Administrators have requested that we provide a report in relation to:
- 4.1 the interests held by the Company in the mining tenements set out in Schedule 3 (**Tenements**);
  - 4.2 whether the Company's interests in the Tenements are in good standing;
  - 4.3 any material restrictions on the enjoyment of the Company's interests in the Tenements, including:
    - 4.3.1 any unusual and onerous conditions applicable to the Tenements;
    - 4.3.2 any concurrent interests in the land the subject of the Tenements, including other mining tenements, pastoral leases, native title and Aboriginal heritage (**Concurrent Interests**) and any agreements with the holders of those Concurrent Interests (**Land Access Agreements**); and
    - 4.3.3 any material regulatory approvals (**Approvals**).
- 5 We are instructed that the Company proposes to use the capital raised to undertake:
- 5.1 further resource delineation drilling on the following tenements which host resources (**Resource Tenements**):
    - 5.1.1 M30/256 which hosts the Riverina resource;
    - 5.1.2 M24/960 and M24/39 which host the Siberia resource;
    - 5.1.3 M30/255 which hosts the Golden Eagle and Waihi resources; and

- 5.1.4 M30/103 which hosts the Callion resource;
- 5.2 exploration drilling on the following tenements which host prospective gold targets (**Exploration Tenements**):
  - 5.2.1 E30/335 which hosts the Gila prospect;
  - 5.2.2 M24/845, M24/846 and M24/847 which host the Siberia South prospect;
  - 5.2.3 E30/454 which hosts the Queen of Hearts prospect;
  - 5.2.4 M30/256 which hosts the Peachtree prospect;
  - 5.2.5 M16/264 which hosts the Lizard prospect (subject to the resolution of the Thompson Proceedings referred to below at paragraphs 152 to 156); and
  - 5.2.6 E16/456 which hosts the Python prospect.
- 5.3 a bankable feasible study in respect of the mining of ore extracted from these tenements and the processing of that ore utilising the existing processing plant and other infrastructure situated on M30/255, L30/37, L30/66, L24/233, L24/170, L24/174, L24/115, L24/224, application L30/69, application L24/240, application G30/6 and application G30/7 (**Infrastructure Tenements**).
- 6 Accordingly, this report focuses on:
  - 6.1 the Resource Tenements, the Exploration Tenements and the Infrastructure Tenements (together the **Priority Tenements**); and
  - 6.2 any constraints to the proposed drilling on the Resource Tenements and the Exploration Tenements.
- 7 In particular, this report does not consider constraints such as additional approvals required for mining and processing ore which will be assessed further by the Company as part of the bankable feasibility study.
- 8 In preparing this report, we have relied solely upon public searches and the documents provided by the Company which are referred to in Schedule 1. This report is issued subject to the exclusions, assumptions and qualifications in Schedule 2.

## Summary

- 9 Material information in relation to each of the Tenements is summarised in Schedule 3 to this report. Any material issues that have been identified are addressed in more detail below in this report.
- 10 By way of summary:
  - 10.1 the standard rights conferred by mining leases, general purpose leases, exploration licences, prospecting licences and miscellaneous licences are summarised below at paragraphs 107 to 0;
  - 10.2 the exercise of rights by the Priority Tenements are not restricted by any unusual and onerous tenement conditions;

- 10.3 the Company is the registered and beneficial owner of the Tenements free of encumbrances save for the interests referred to at paragraphs 12 to 14 below;
- 10.4 the Tenements are in good standing subject only to the following issues:
- 10.4.1 the Nu-Fortune Proceedings which have been settled on the basis that the forfeiture applications be dismissed as referred to below at paragraphs 149 to 151;
  - 10.4.2 the Thompson forfeiture proceedings as referred to below at paragraphs 152 to 155;
  - 10.4.3 the Photios forfeiture proceedings as referred to below at paragraphs 157 to 160;
  - 10.4.4 the Wicksteed forfeiture proceeding as referred to below at 161 to 165; and
  - 10.4.5 the outstanding rent as referred to below at paragraphs 145 to 146;
- 10.5 the proposed drilling program in respect of the Resource Tenements and the Exploration Tenements is not materially restricted by any Concurrent Interests or unusual and onerous terms of Land Access Agreements;
- 10.6 the Company has all material Approvals for the conduct of the proposed drilling program in respect of the Resource Tenements and the Exploration Tenements, save for the following approvals which will be obtained before the relevant drilling commences:
- 10.6.1 approved programmes of work in respect of some Exploration Tenements as referred to below at paragraph 194; and
  - 10.6.2 Aboriginal heritage clearance for some areas the subject of proposed drilling on the Resources Tenements and Exploration Tenements as referred to below at paragraphs 195 to 202; and
- 11 The proposed drilling on M16/264, which hosts the Lizard prospect, is subject to the favourable resolution of the Thompson Proceedings as referred to below at paragraphs 152 to 156. If the Thompson Proceedings are not resolved favourably in time, the proposed exploration expenditure in respect of the Lizard prospect will be redeployed in respect of the other exploration prospects.

## **TITLE & ENCUMBRANCES**

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### **Ownership**

- 12 As identified in Schedule 3, the Company is the registered holder of, or Applicant for, the Tenements save for:
- 12.1 the Goldstar Tenements which are being transferred to the Company as referred to below at paragraphs 15 to 19;
  - 12.2 the Heron Tenements which are being transferred to the Company and M24/757 which is held by Heron Resources Limited as referred to below at paragraphs 20 to 24;
  - 12.3 the M&G Tenements which are being transferred to the Company as referred to below at paragraphs 25 to 28;
  - 12.4 M24/39 held by Gardener in which the Company has gold rights as referred to below at paragraphs 29 to 32; and

- 12.5 M29/165 in which Hooper holds a 5% registered interest as referred to below at paragraphs 48 to 0.
- 13 The Company is the beneficial owner of rights in respect of all minerals under the Tenements save for:
- 13.1 M24/960 and M24/39 in which Gardener holds nickel rights as referred to below at paragraphs 29 to 32;
- 13.2 the Heron Tenements and M24/757 in which Heron Resources Limited holds rights to minerals other than gold and silver as referred to below at paragraphs 20 to 24;
- 13.3 the Nickel Tenements in which Heron Resources Limited holds nickel rights as referred to below at paragraphs 33 to 36;
- 13.4 the Barra Tenements in which Barra Resources Limited holds nickel/cobalt rights as referred to below at paragraphs 37 to 40;
- 13.5 the S&M Tenements in which Schrrers and Mitchell hold alluvial gold rights as referred to below at paragraphs 42 to 43;
- 13.6 the Morgan Tenements in which Morgan holds alluvial gold rights as referred to below at paragraphs 45 to 47;
- 13.7 the Mt Ida Iron Tenements as referred to below at paragraphs 51 to 52;
- 13.8 M29/165 in which Hooper holds a 5% free-carried beneficial interest as referred to below at paragraphs 48 to 0; and
- 13.9 the tenements the subject of the Taxex Dispute as referred to below at paragraphs 53 to 57.
- 14 The interest of the Company in the Tenements is free of encumbrances save for:
- 14.1 the Hawke's Point Mortgage as referred to below at paragraphs 58 to 61;
- 14.2 the following royalties:
- 14.2.1 the Crown Diamonds Royalty as referred to below at paragraphs 64 to 66;
- 14.2.2 the Metex Royalty as referred to below at paragraphs 67 to 68;
- 14.2.3 the Greater Pacific Gold Royalty as referred to below at paragraphs 69 to 70;
- 14.2.4 the Great Southern Mines Royalty as referred to below at paragraphs 71 to 72;
- 14.2.5 the Australian Ethanol Royalty as referred to below at paragraphs 73 to 74;
- 14.2.6 the WMC Royalty as referred to below at paragraphs 75 to 76;
- 14.2.7 the St Barbara Royalty as referred to below at paragraphs 77 to 80;
- 14.2.8 the FYI Resources Royalty as referred to below at paragraphs 62 to 63; and
- 14.2.9 the Mobile Gold Royalty as referred to below at paragraphs 84 to 87;
- 14.3 the rights of Barrick (PD) Australia Pty Limited under the Siberia Sale Agreement as referred to below at paragraphs 88 to 92;

- 14.4 any interest protected by the caveats referred to in paragraphs 93 to 95; and
- 14.5 caveats relating to outstanding Shire rates as referred to below at paragraphs 96 to 100.

### Goldstar Tenements

- 15 Pursuant to the Goldstar Agreement, Goldstar Resources (WA) Pty Ltd agreed to transfer E29/964, P16/2921, P16/2922, E16/480, E16/482, E16/483, E16/484, E16/486 and E16/487 (**Goldstar Tenements**) to the Company in consideration for:
- 15.1 the payment of A\$125,000 on completion;
- 15.2 the Company procuring the completion of the subscription by third parties for 33,333,333 ordinary fully paid shares in Orion Gold NL at \$0.015 per share to \$500,000;
- 15.3 the issue of 2,000,000 unlisted options to subscribe for the Company's shares as follows:
- 15.3.1 1,000,000 unlisted options exercisable at \$0.168 on or before 8 March 2018; and
- 15.3.2 1,000,000 unlisted options exercisable at \$0.0189 on or before 8 March 2020.
- 16 Completion under the Goldstar Agreement has occurred.
- 17 Transfers of the Goldstar Tenements to the Company cannot be registered until the Goldstar Agreement has been assessed for stamp duty. The Goldstar Agreement is with the Office of State Revenue for assessment.
- 18 The Goldstar Agreement provides that, pending the registration of the transfers, the Company has a licence to enter the Goldstar Tenements to carry out exploration.
- 19 The Goldstar Tenements are not Priority Tenements.

### Heron Tenements

- 20 Pursuant to the Heron Agreement:
- 20.1 Heron Resources Limited and Atriplex Pty Ltd agreed to transfer to the Company M24/772, P24/4395, P24/4396, P24/4400, P24/4401, P24/4402, P24/4403, M24/634, M24/660, M24/663, M24/664, M24/665, E24/203, M24/683, M24/686, M24/797, M24/915, M24/916, E29/889 and application M24/973 (**Heron Tenements**) subject to the reservation of all minerals other than gold and silver;
- 20.2 Heron Resources Limited agreed to transfer to the Company the right to explore and mine for gold and silver on M24/757.
- 21 Consideration for the sale comprised:
- 21.1 payment of the sum of \$100,000 upon completion;
- 21.2 payment of \$1,000,000 cash or the equivalent in shares upon the declaration to the ASX of a gold mineral reserve of in excess of 100,000 ounces of gold on the Heron Tenements;
- 21.3 a royalty of 1.5% of the gross revenue from gold and silver production from the Heron Tenements, capped at 150,000 troy ounces of gold; and
- 21.4 the assumption by the Company of an obligation to pay \$40,000 to Westex Resources Ltd if commercial mining commences on M24/683 or M24/772.

- 22 Completion under the Heron Agreement has occurred.
- 23 Transfers of the Heron Tenements to the Company cannot be registered until the Heron Agreement has been assessed for stamp duty. The Heron Agreement is with the Office of State Revenue for assessment.
- 24 The Heron Tenements and M24/757 are not Priority Tenements.

#### **M&G Tenements**

- 25 Mineral & Gold Resources of Australia Pty Ltd and the Company have executed transfers of P16/2888, P16/2889, P29/2398, P29/2399, P29/2400, P29/2401, P29/2402, P29/2403, P29/2404, P29/2405, P29/2406, P29/2407, E30/490 and E30/491 (**M&G Tenements**) from Mineral & Gold Resources of Australia Pty Ltd to the Company for \$5,500 per tenement.
- 26 The transfer of P16/2888, P16/2889, P29/2398, P29/2399, P29/2400, P29/2401, P29/2402, P29/2403, P29/2404, P29/2405, P29/2406, P29/2407 have been lodged for registration but have not yet been registered.
- 27 The transfers of E30/490 and E30/491 cannot be registered until they have been assessed for stamp duty. The transfers are with the Office of State Revenue for assessment.
- 28 The M&G Tenements are not Priority Tenements.

#### **Gardener Agreement**

- 29 Pursuant to the Gardener Agreement:
- 29.1 the Company granted Gardener the rights to non-sulphide, lateritic nickel and cobalt minerals on M24/290; and
- 29.2
- 29.3 Gardener granted the Company the rights to gold and silver minerals on M24/39 held by Gardener.
- 30 M24/290 was conditionally surrendered in favour of M24/960 held by the Company which includes other land so Gardener has rights to non-sulphide, lateritic nickel and cobalt minerals on part of M24/960.
- 31 As referred to in Schedule 3, BHP Billiton Nickel West Pty Ltd has lodged caveats in respect of M24/960 and M24/39 to protect rights it has pursuant to a settlement agreement dated 15 July 2002 in respect of any nickel produced by Gardner. BHP Billiton Nickel West Pty Ltd does not have any rights in relation to the Company's interest in the tenements.
- 32 M24/960 and M24/39 are Priority Tenements.

#### **Heron Nickel Rights Agreement**

- 33 Pursuant to the Heron Nickel Rights Agreement, Heron Resources Limited holds all rights in respect of laterite nickel and cobalt minerals on M24/845, M24/846, M24/847 and M24/848 (**Nickel Tenements**).
- 34 Additionally, the Company agreed to pay a royalty on all ore mined and processed from the Nickel Tenements as follows:
- 34.1 a 0.5% net smelter royalty on gold, silver, platinum group metals, tantalum, tin, niobium, lithium and pegmatite ore; and
- 34.2 a 1.5% net smelter royalty on all other minerals, capped at a maximum of \$1,000,000.

35 As referred to in Schedule 3, Heron has lodged caveats in respect of the Nickel Tenements.

36 M24/845, M24/846 and M24/847 are Priority Tenements.

### **Barra Nickel Rights Agreement**

37 Pursuant to the Barra Nickel Rights Agreement, Barra Resources Limited and Riverina Resources Pty Ltd hold all rights in respect of nickel minerals on E30/491, E30/333, E30/468, M30/157 and M30/256 (**Barra Tenements**).

38 Additionally, the Company agreed to:

38.1 assume any existing royalty obligation relating to the Barra Tenements for which Barra Resources Limited, Riverina Resources Pty Ltd or their predecessors in title were liable; and

38.2 indemnify Barra Resources Limited and Riverina Resources Pty Ltd for any loss caused by the Company's failure to pay any existing royalties.

39 The Barra Nickel Rights Agreement does not identify any existing royalties and we are instructed that the Company is not aware of any existing royalties.

40 E30/491, E30/333, E30/468 and M30/157 are not Priority Tenements.

41 M30/256 is a Priority Tenement but we are instructed that the area subject to Barra's nickel rights does not form part of the Company's immediate development plan.

### **Alluvial Gold Rights Offer Letter**

42 Pursuant to the Alluvial Gold Rights Offer Letter, Hank Schrers and Robert Mitchell hold all rights in respect of alluvial gold to a depth of 2 metres on P24/4754 and a portion of M24/960 (**S&M Tenements**).

43 P24/4754 is not a Priority Tenement.

44 M24/960 is a Priority Tenement but pursuant to the Agreement, the Company's mineral rights have priority over the alluvial rights of Shrers and Mitchell.

### **Morgan Gold Rights Agreement**

45 Pursuant to the Morgan Gold Rights Agreement, Glyn Morgan was granted a sole and exclusive right in respect of alluvial gold to a depth of 4 metres on E30/333 and portions of M24/845, M24/846, M24/847, M24/848 and M24/960 (**Morgan Tenements**).

46 Morgan must pay the Company a royalty of 10% of all alluvial gold recovered from the Morgan Tenements.

47 E30/333 and M24/845 are not Priority Tenements. M24/845, M24/846, M24/847, M24/848 and M24/960 are Priority Tenements but we are instructed that the area the subject to Morgan's gold rights does not form part of the Company's immediate development plan.

### **Hooper JV Agreement**

48 Stewart Hooper is the registered holder of 5/100 shares in M29/165.

49 Pursuant to the Hooper JV Agreement, Stewart Hooper's interest in M29/165 is free carried until completion of a bankable feasibility study.

50 M29/165 is not a Priority Tenement.

### **Mt Ida Iron Rights Agreement**

51 We are instructed that a third party holds the rights to iron in M29/2, M29/165, M29/422, E29/640, E29/895 and P29/2328 pursuant to an historical agreement which preceded the Company's acquisition of these Tenements. The Company is not in possession of a copy of the Agreement.

52 M29/2, M29/165, M29/422, E29/640, E29/895 and P29/2328 are not Priority Tenements.

### **Tasex dispute**

53 Tasex Geological Services Pty Ltd (ACN 129 133 615) has issued proceedings in the Warden's Court seeking a declaration that M30/253 and E30/468 are held by the Company on constructive trust and an order compelling the Company to transfer M30/253 and E30/468 to Tasex Geological Services Pty Ltd.

54 Tasex has lodged caveats in respect of its alleged interest in M30/253 and E30/468.

55 The dispute relates to whether, under the terms of an agreement relating to the priority of tenement applications that facilitated the grant of M30/253 and E30/468, the late payment by the Company of an agreed instalment entitled Tasex Geological Services Pty Ltd to call for a transfer of M30/253 and E30/468.

56 The Company is defending the proceedings. We express no view on the prospects.

57 M30/253 and E30/468 are not Priority Tenements.

### **Hawke's Point Mortgage**

58 Pursuant to the Facilities Agreement, Investec agreed to provide the Company with a debt facility. The Facilities Agreement was assigned to Hawke's Point I and Hawke's Point II on 28 August 2018. The debt owed by the Company is secured against the assets of the Company pursuant to a general security deed and a security trust deed entered into by reason of the Facilities Agreement.

59 On 28 September 2018, the Company and Hawkes' Point entered into a convertible note deed pursuant to which the Company agreed to issue and Hawkes' Point agreed to subscribe for convertible notes. The convertible notes are secured against the assets of the Company.

60 The security has been perfected by the registration of a mortgage in respect of L15/224, L16/58, L16/62, L16/72, L16/73, L16/103, L24/85, L24/115, L24/170, L24/174, L24/188, L24/189, L24/224, L29/74, L30/35, L30/37, M16/262, M16/263, M16/264, M16/470, M24/115, M24/159, M24/208, M24/376, M24/960, M29/422, M30/102, M30/103, M30/111, M30/123, M30/126, M30/157, M30/187, M30/255, M30/256, E16/337, E16/344, E16/456, E16/473, E16/475, E29/640, E29/895, E29/955, E30/333, E30/334, E30/335, E30/338, E30/454, P24/4750, P24/4751, P24/4754, P24/5073, P24/5074, P24/5075, P29/2328 and P30/1122.

61 Pursuant to the terms of the DOCA and subject to the passing of relevant resolutions at the Company's General Meeting, the debt will be repaid, the convertible note will be converted to equity and the security including the mortgage will be discharged.

### **FYI Resources Agreement**

62 Pursuant to the FYI Resources Agreement, the Company must pay to FYI Resources Limited a net smelter royalty of 1% on the total gross proceeds from the sale of gold from a portion of M24/960.

63 M24/960 is a Priority Tenement but we are instructed that the area the subject of the royalty does not form part of the Company's immediate development plan.

### **Crown Diamonds Royalty Agreement**

- 64 Pursuant to the Crown Diamonds Royalty Agreement, a royalty is payable on all material mined and processed from M30/102 and M30/103 of:
- 64.1 \$1.00 per tonne if the grade is equal to or less than 3.0 grams per tonne;
  - 64.2 \$2.50 per tonne if the grade is greater than 3.0 grams per tonne but equal to or less than 4 grams per tonne;
  - 64.3 \$4.00 per tonne if the grade is greater than 4.0 grams per tonne; and
  - 64.4 \$5.50 per tonne if the grade is greater than 7.0 grams per tonne and the ore is extracted by underground operations.
- 65 The royalty was payable severally 60/40 to two parties but the Company's predecessor in title acquired the 60% royalty entitlement under a buy-back arrangement. The Company remains liable to pay 40% of the royalty to Crown Diamonds Pty Ltd.
- 66 M30/103 is a Priority Tenement but M30/102 is not.

### **Metex Royalty Agreement**

- 67 Pursuant to the Metex Royalty Agreement, the Company must pay to Carbon Energy Limited a royalty on a portion of M30/255 of:
- 67.1 \$0.50 per tonne in respect of each block having an average cut gold grade of less than 1 gram but greater than 0.5 grams per tonne; or
  - 67.2 \$4.50 per tonne in respect of each block having an average cut gold grade of equal to or greater than 1 gram per tonne.
- 68 M30/255 is a Priority Tenement but we are instructed that the area subject to the royalty does not form part of the Company's immediate development plan.

### **GPG Royalty Agreement**

- 69 Pursuant to the GPG Royalty Agreement, the Company must pay to Austsino Resources Group Limited a royalty of 6% of the gold produced and refined from M30/123 and a portion of M30/256.
- 70 M30/256 is a Priority Tenement but we are instructed that the area the subject of the royalty does not form part of the Company's immediate development plan.

### **GSM Royalty Agreement**

- 71 Pursuant to the GSM Royalty Agreement, the Company must pay to Great Southern Mines NL a royalty on gold extracted from E30/334, a portion of E30/335 and a portion of M30/255 at a rate of \$4.00 multiplied by the grade of recovered gold capped at \$20.00 per ounce.
- 72 However, the royalty holder was deregistered in September 2018. The Company is not aware of the royalty being assigned prior to deregistration.

### **AE Royalty Agreement**

- 73 Pursuant to the AE Royalty Agreement, the Company must pay to Scandivanadium Ltd a royalty on minerals extracted from M30/157, M30/187 and a portion of E30/335 as follows:
- 73.1 a rate of \$4.00 multiplied by the grade of recovered gold capped at \$20.00 per ounce; or
  - 73.2 2.5% of gross revenue from the sale of all minerals other than gold.
- 74 E30/335 is a Priority Tenement but M30/157 and M30/187 are not.

### **WMC Royalty Agreement**

- 75 Pursuant to the WMC Royalty Agreement, the Company must pay to BHP Billiton Nickel West Pty Ltd a royalty of \$1.00 per metric tonne of ore mined and treated in excess of 250,000 tonnes from M30/123 and a portion of M30/256.
- 76 M30/256 is a Priority Tenement but we are instructed that the area the subject of the royalty does not form part of the Company's immediate development plan.

### **St Barbara Royalty Agreement**

- 77 Pursuant to the St Barbara Royalty Agreement, the Company must pay to St Barbara Limited a royalty on each tonne of mineral bearing ore mined from E30/80 and any substitute tenements as follows:
- 77.1 no royalty is payable on the first 1.0 million tonnes;
  - 77.2 \$0.50 per tonne is payable on 1.0 to 1.5 million tonnes;
  - 77.3 \$0.75 per tonne is payable on 1.5 to 2.0 million tonnes; and
  - 77.4 \$1.00 per tonne is payable on any tonnage mined in excess of 2.0 million tonnes.
- 78 E30/468 and M30/256 are arguably in part substitute tenements.
- 79 St Barbara Limited has lodged a caveat in respect of M30/256.
- 80 M30/256 is a Priority Tenement but we are instructed that the area the subject of the royalty does not form part of the Company's immediate development plan.

### **Dart Royalty Agreement**

- 81 Pursuant to the Dart Royalty Agreement, the Company must pay Dart Mining Contractors Pty Ltd a royalty of \$0.50 per dry metric tonne of ore mined from M30/126 and treated through a CIP-CIL facility.
- 82 However, the royalty holder was deregistered in May 2003 2018. The Company is not aware of the royalty being assigned prior to deregistration.
- 83 M30/126 is not a Priority Tenement.

### **Mobile Gold Royalty Agreement**

- 84 Pursuant to the Mobile Gold Royalty Agreement, the Company and Kingsday Holdings Pty Ltd as trustee for the Blue Gum Trust must pay to Mobile Gold Mining Pty Ltd a royalty of 1% of all gold produced in excess of 100,000 ounces from M29/2, capped at \$4,000,000 worth of delivered gold.

- 85 Kingsday Holdings Pty Ltd was deregistered on 13 June 2017. Responsibility for payment of the royalty was joint and several so the Company is liable to pay the royalty.
- 86 As referred in Schedule 3, Mobile Gold Mining Pty Ltd has lodged a caveat and a mortgage, and Kingsday Holdings Pty Ltd has lodged a caveat, in respect of M29/2.
- 87 M29/2 is not a Priority Tenement.

### **Siberia Sale Agreement**

- 88 Pursuant to the Siberia Sale Agreement, the vendors agreed to transfer the tenements comprising the Siberia project to the Company.
- 89 Barrick (PD) Australia Pty Limited retained the following rights in respect of the tenements then comprising the Siberia project (and any substitute tenement):
- 89.1 a 2% net smelter royalty from the sale of gold produced from the tenements comprising the Siberia project;
  - 89.2 the right to call for the transfer of a 60% joint venture interest in any discovery on the tenements comprising the Siberia project which comprises in excess of 500,000 ounces of gold and includes at least 300,000 ounces of measured and indicated resource in return for payment of 2.5 times the cost of discovery and a 10% administrative overhead; and
  - 89.3 a pre-emptive right in respect of toll treatment through a third party facility.
- 90 We are instructed that these rights apply to M24/115, M24/159, M24/376, M24/208, M16/262, M16/263, M16/264 and a portion of M24/960.
- 91 M24/115, M24/159, M24/376, M24/208, M16/262 and M16/263 are not Priority Tenements.
- 92 M16/264 and M24/960 are Priority Tenements but drilling on M16/264 and the portion of M24/960 the subject of these rights is not anticipated to establish a resource in excess of 500,000 ounces because the purpose of the infill drilling on M24/960 is to convert resource to reserve.

### **Other caveats**

- 93 Caveats were lodged by Lewis Lajos Kovac and Alan Ernest Gallop in respect of M24/660 in 1995 and 2006 respectively. The Company has been unable confirm whether Kovac and Gallop still have an interest or whether the caveat can be removed.
- 94 Kingsday Holdings Pty Ltd lodged a caveat in respect of M29/2 and 95/100 shares in M29/165 on 11 March 2009. Kingsday Holdings Pty Ltd was deregistered on 13 June 2017.
- 95 M24/660, M29/2 and M29/165 are not Priority Tenements.

### **Caveats in respect of Shire rates**

- 96 The Company has not paid Shire rates in respect of the Tenements for FY19 in the sum of \$220,148.78 plus accruing interest.
- 97 Under s 6.64(3) of the *Local Government Act 1995* (WA), where Shire rates are in arrears, the Local Government has an interest in the tenement and may lodge a caveat.

- 98 The following caveats have been lodged:
- 98.1 caveats in favour of the Shire of Coolgardie in respect of E16/474 and M16/268;
  - 98.2 caveats in favour of the City of Kalgoorlie-Boulder in respect of M24/115, M24/159, M24/376, M24/634, M24/660, M24/664, M24/683, M24/757, M24/772, M24/797, M24/845, M24/846, M24/847, M24/848, M24/915, M24/916 and M24/960; and
  - 98.3 caveats in favour of the Shire of Menzies in respect of M29/2, M30/111, M30/123, M30/157 and M30/187.
- 99 The DOCA provides that the Company will pay the outstanding Shire rates in full out of the proceeds of the capital raising.
- 100 Upon payment of the Shire rates, the caveats will be removed.

## TENEMENTS - RIGHTS & CONDITIONS

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### Tenement Applications

- 101 All the Tenements are granted save for applications M24/973, G30/6, G30/7, L24/240, L30/69 and E30/504.
- 102 Application M24/973 is a conversion application under section 49 of the *Mining Act 1978* (WA) in respect of P24/4395, P24/4396, P24/4400, P24/4401, P24/4402 and P24/4403. Heron Resources Limited holds rights to all minerals except for silver and gold. Application M24/973 has been lodged to facilitate nickel mining operation by Heron Resources Limited. The Company will retain gold and silver rights in respect of M24/973. The prospecting licences are being transferred to the Company in accordance with the Heron Agreement which is referred to at paragraphs 20 to 24. Upon the registration of the transfers of the prospecting licences from Heron Resources Limited to the Company, application M24/973 will be deemed to continue in the name of the Company.
- 103 The Company lodged applications G30/6 and G30/7 in July 2018 for the purpose of an expansion of the tailings dam. No objections have been lodged under the *Mining Act 1978* (WA) but the applications have not yet been recommended for grant. The applications will proceed under the right to negotiate process under the *Native Title Act 1993* (Cth) but have not yet been advertised to initiate this process. The right to negotiate process will require the Company to negotiate in good faith with the registered claim group(s) and the State in relation to the grant of the applications. Failing agreement, a party may after not less than 6 months, refer the matter to the National Native Title Tribunal for a determination as to whether the application should be granted in the absence of agreement. The existing tailings dam has 18 months of capacity so the expansion is not required for at least 36 months which provides an adequate opportunity for the Company to procure grant of applications G30/6 and G30/7.
- 104 The Company lodged application L24/240 to provide tenure for existing bore and pipeline infrastructure. It is anticipated that an objection under the *Mining Act 1978* (WA) by a concurrent tenement holder will be resolved by access agreement. Application L24/240 was advertised on 8 March 2019 pursuant to the independent person process under the *Native Title Act 1993* (Cth). An objection may be lodged prior to 8 May 2019 in which case the registered native title claim group(s) has a right to be consulted in relation to the impact on native title of the activities proposed to be conducted under that licence and to have that objection heard and determined by an independent person. If an objection is lodged the Company may seek to resolve the matter by reaching agreement with the registered claim group(s) in relation to the grant of the application. The bore and pipeline infrastructure is not required for at least 18 months which provides adequate opportunity for the Company to procure grant of application L24/240.

- 105 The Company lodged application L30/69 to provide security of tenure for an existing access road. An objection under the *Mining Act 1978* (WA) by a concurrent tenement holder has been resolved by agreement to impose standard tenement conditions. Application L30/69 was advertised on 8 March 2019 pursuant to the independent person process under the *Native Title Act 1993* (Cth). An objection may be lodged prior to 8 May 2019 in which case the registered native title claim group(s) has a right to be consulted in relation to the impact on native title of the activities proposed to be conducted under that licence and to have that objection heard and determined by an independent person. If an objection is lodged the Company may seek to resolve the matter by reaching agreement with the registered claim group(s) in relation to the grant of the application. In the meantime, the Company will continue to use the existing access road pursuant to L30/66.
- 106 Application E30/504 has passed the objection period under the *Mining Act 1978* (WA) without any objections being lodged but the application has not yet been recommended for grant and the application has not yet been advertised pursuant to the expedited procedure under the *Native Title Act 1993* (Cth). The registered native title claim group(s) may lodge an objection to the application of the expedited procedure which would be determined by the National Native Title Tribunal. If the objection is upheld, the right to negotiate process applies. Otherwise, the application may proceed to grant. If an objection is lodged, the Company may seek to resolve the matter by reaching agreement with the registered claim group(s) in relation to the grant of the application. E30/504 is not a Priority Tenement.

### **Mining leases**

- 107 A mining lease under the *Mining Act 1978* (WA) authorises the registered holder:
- 107.1 to use and occupy the land the subject of the lease;
  - 107.2 to mine for minerals on that land;
  - 107.3 to dispose of the minerals mined from that land;
  - 107.4 to take and divert water from that land; and
  - 107.5 to do all acts and things necessary to effectively carry out mining operations.
- 108 These rights are exclusive rights for mining purposes.
- 109 The registered holder of a mining lease owns all minerals lawfully mined from the land the subject of the lease.
- 110 Mining leases are granted by the Minister for an initial term of 21 years. In the final year of the initial term, the registered holder has an option to renew the mining lease for a further term of 21 years. Subsequently, the Minister may renew the term of the mining lease for successive periods of not more than 21 years.
- 111 The holder of a mining lease is obliged:
- 111.1 to pay all rents and royalties due under the lease; and
  - 111.2 unless exempt, to expend a minimum amount in connection with mining on the mining lease in excess of the prescribed annual expenditure commitment.

- 112 The annual rent and minimum expenditure commitments for each of the mining leases are set out in Schedule 3.
- 113 Various other condition may be imposed on mining leases including standard conditions for the protection of the environment or third party interests in land. On the basis of the Searches, we are not aware of any unusual and onerous conditions imposed upon the mining leases which are Priority Tenements.

### **General purpose leases**

- 114 A general purpose lease under the *Mining Act 1978* (WA) authorises the holder to exclusively occupy the land the subject of the lease for one of the prescribed purposes. As a general purpose lease is an ancillary tenement, the lease will be granted for a purpose that supplements the applicant's mining operations.
- 115
- 116 The prescribed purposes for which a general purpose lease may be granted by the Minister are:
- 116.1 for the erecting, placing and operating of machinery in connection with mining operations;
  - 116.2 for the depositing or treating of minerals or tailings obtained from the land in accordance with the *Mining Act 1978* (WA); and
  - 116.3 for any other specified purpose directly connected with mining operations.
- 117 The prescribed purpose for each of the general purpose leases is set out in Schedule 3.
- 118 General purpose leases are granted by the Minister for an initial term of 21 years. In the final year of the initial term, the registered holder has an option to renew the general purpose lease for a further term of 21 years. Subsequently, the Minister may renew the term of the general purpose lease for successive periods of not more than 21 years.
- 119 The holder of a general purpose lease is obliged:
- 119.1 to pay all rents due under the lease; and
  - 119.2 to use the land only for the specified purpose.
- 120 Upon grant, various other condition may be imposed on general purpose leases including standard conditions for the protection of the environment or third party interests in land.
- 121 There are no granted general purpose leases.

### **Exploration licences**

- 122 An exploration licence under the *Mining Act 1978* (WA) authorises the registered holder:
- 122.1 to enter the land the subject of the licence;
  - 122.2 to explore that land;
  - 122.3 to remove mineral bearing substances from that land to a prescribed limit; and
  - 122.4 to take and divert water from that land.

- 123 Exploration licences are granted by the Minister for an initial term of five years. The Minister may, if satisfied that any one of several prescribed grounds for extension exist, extend the term of an exploration licence:
- 123.1 by one period of five years; and
  - 123.2 by a further period or periods of two years.
- 124 The prescribed grounds for extension are set out in the *Mining Regulations 1981* (WA) and include:
- 124.1 difficulties or delays occasioned by law, arising from the requirements of governmental or other authorities, political and environmental requirements, the conduct of an Aboriginal heritage survey on the land or in obtaining requisite consents or approvals or in gaining access to the land;
  - 124.2 that the land the subject of the licence has been unworkable for the whole or a considerable part of any year of the term; and
  - 124.3 that the work carried out under the exploration licence justifies further exploration.
- 125 The holder of an exploration licence has the right to apply for, and have granted, one or more mining leases or general purposes leases in respect of the land the subject of the licence. The right to grant of a mining lease is subject to the *Mining Act 1978* (WA), which gives the Minister a residual discretion to refuse a mining lease application, including on public interest grounds.
- 126 Where the holder of an exploration licence applies for a mining lease or general purpose lease over that land, the exploration licence continues in force until the application for a lease has been determined.
- 127 The holder of an exploration licence is obliged:
- 127.1 to pay an annual rent;
  - 127.2 unless exempt, to expend a minimum amount in connection with exploration on the exploration licence in excess of the prescribed annual expenditure commitment; and
  - 127.3 to surrender 40% of the number of blocks subject to the exploration licence within six years after the date of grant.
- 128 The annual rent and the minimum expenditure commitments for each of the exploration licences are set out in Schedule 3.
- 129 Various other condition may be imposed on exploration licences including standard conditions for the protection of the environment or third party interests in land. On the basis of the Searches, we are not aware of any unusual and onerous conditions imposed upon the exploration licences which are Priority Tenements.

### **Prospecting licences**

- 130 A prospecting licence under the *Mining Act 1978* (WA) authorises the holder:
- 130.1 to enter the land the subject of the licence;
  - 130.2 to prospect for minerals on that land;
  - 130.3 to remove mineral bearing substances from that land to a prescribed limit; and
  - 130.4 to take and divert water from that land.

- 131 Prospecting licences are granted by the Minister for an initial term of four years. The Minister may, if satisfied that any one of several prescribed grounds for extension exist, extend the term of an prospecting licence:
- 131.1 by one period of four years; and
  - 131.2 if the licence has retention status, by a further period or periods of four years.
- 132 The prescribed grounds for extension are set out in the *Mining Regulations 1981* (WA) and include:
- 132.1 difficulties or delays occasioned by law, arising from the requirements of governmental or other authorities, political and environmental requirements, the conduct of an Aboriginal heritage survey on the land or in obtaining requisite consents or approvals or in gaining access to the land;
  - 132.2 that the land the subject of the licence has been unworkable for the whole or a considerable part of any year of the term; and
  - 132.3 that the work carried out under the prospecting licence justifies further prospecting.
- 133 The holder of a prospecting licence has the right to apply for, and have granted, one or more mining leases or general purposes leases in respect of the land the subject of the licence. The right to grant of a mining lease is subject to the *Mining Act 1978* (WA), which gives the Minister a residual discretion to refuse a mining lease application, including on public interest grounds.
- 134 Where the holder of a prospecting licence applies for a mining lease or general purpose lease over that land, the prospecting licence continues in force until the application for a lease has been determined.
- 135 The holder of a prospecting licence is obliged:
- 135.1 to pay an annual rent; and
  - 135.2 unless exempt, to expend a minimum amount in connection with mining on the prospecting licence in excess of the prescribed annual expenditure commitment.
- 136 The annual rent and the minimum expenditure commitments for each of the prospecting licences are set out in Schedule 3.
- 137 Various other condition may be imposed on prospecting licences including standard conditions for the protection of the environment or third party interests in land.
- 138 None of the prospecting licences are Priority Tenements.

### **Miscellaneous licences**

- 139 A miscellaneous licence under the *Mining Act 1978* (WA) authorises the holder to use the land for prescribed purposes which are directly connected with mining.
- 140 The prescribed purpose of each of the miscellaneous licences is set out in Schedule 3.
- 141 Miscellaneous licences are granted by the mining registrar or the Mining Warden for an initial term of 21 years with a renewal as of right for a second period of 21 years. Further renewals of up to 21 years may also be granted, however this is at the discretion of the Minister.
- 142 The holder of a miscellaneous licence is obliged to pay annual rent. The annual rent in respect of each of the miscellaneous licences is set out in Schedule 3.

- 143 Various other conditions may be imposed on miscellaneous licences including standard conditions for the protection of the environment or third party interests in land. On the basis of the Searches, we are not aware of any unusual and onerous conditions imposed upon the miscellaneous licences which are Priority Tenements.

## TENEMENT COMPLIANCE & STANDING

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- 144 Failure to comply with tenement conditions may result in forfeiture of the exploration licence or the imposition of a penalty.

### Rent

- 145 As set out in Schedule 3, the rent has been paid in respect of all of the Tenements save that the rent in respect of E30/335, E30/454, E30/468, M16/262, M16/263, M16/264, M16/470, M24/208, M30/102, M30/111, M30/255 and M30/256 in the sum of \$565,502.05 remains outstanding.
- 146 The DOCA provides that the Company will pay the outstanding rent out of the proceeds of the capital raising. The Company has advised the Department of Mines Industry Regulation and Safety of its intention to pay the outstanding rent on completion of the capital raising and the Department has not taken any action in relation to the non-payment of the rent.

### Expenditure Conditions

- 147 The Company has lodged Form 5 Reports for the most recent reporting year for all of the Tenements in which it claims to have incurred expenditure in excess of the annual expenditure commitment on or connection with mining on the tenement during the reporting year.
- 148 However, as summarised below, there are forfeiture applications in respect of some Tenements in which it is alleged that the Company did not comply with the expenditure conditions for a previous reporting year.

### Brewer & Nu-Fortune Proceedings

- 149 Gerard Brewer lodged forfeiture applications and objection to exemption applications in respect of M30/103, M16/470, M30/102 and E30/335 for the reporting year ending in 2014. By deed dated 18 March 2019, the parties agreed to settle the proceedings. The Warden made orders dismissing the forfeiture proceedings and withdrawing the objections on 29 March 2019.
- 150 Gerard Brewer and Glenn Haythornthwaite lodged forfeiture applications and an objection to exemption application in respect of M24/846, M24/847 and M24/848 for the reporting year ending in 2015. By deed dated 18 March 2019, the parties agreed to settle the proceedings. The Warden made orders dismissing the forfeiture proceedings and withdrawing the objections on 29 March 2019.
- 151 Nu-Fortune lodged forfeiture applications in respect of E30/338, E30/454, E30/468, M30/111, M30/123, M30/253, M30/255 and M30/256. By deed dated 15 March 2019, the parties agreed to settle the proceedings. The settlement agreement provides for the dismissal of the forfeiture applications. The parties will shortly seek orders from the Warden to this effect.

### Thompson forfeiture proceedings

- 152 Michael Thompson lodged applications for forfeiture and objections to exemption applications in respect of M16/262, M16/263 and M16/264 for the reporting year ending in 2011.
- 153 The exemption applications have been recommended for refusal by the Warden and the decision of the Minister is pending. If the exemption applications are refused, the Company will have failed to comply with the expenditure conditions in which case the forfeiture applications will go before the Warden for a

recommendation and ultimately before the Minister for a determination as to whether, in all the circumstances of the case, the non-compliance is of sufficient gravity to justify forfeiture.

154 We do not express a view on the prospects of the exemption applications being granted or the outcome of the forfeiture applications.

155 M16/262 and M16/263 are not Priority Tenements.

156 M16/264 is a Priority Tenement which hosts the Lizard prospect. The Company does not propose to undertake drilling on the Lizard prospect unless the Thompson Proceedings have been favourably resolved. If the proceedings are not resolved favourably, the Company proposes to redeploy the exploration expenditure on other prospects.

### **Photios forfeiture proceedings**

157 Michael Photios lodged an application for forfeiture and an objection to an exemption application in respect of M24/208 for the reporting year ending in 2015.

158 The exemption application has not yet been heard of determined. If the exemption application is refused, the Company will have failed to comply with the expenditure conditions in which case the forfeiture application will go before the Warden for a recommendation and ultimately before the Minister for a determination as to whether, in all the circumstances of the case, the non-compliance is of sufficient gravity to justify forfeiture.

159 We do not express a view on the prospects of the exemption application being granted or the outcome of the forfeiture application.

160 M24/208 is not a Priority Tenement.

### **Wicksteed forfeiture proceedings**

161 Mineral & Gold Resources of Australia Pty Ltd is currently the registered holder E30/491 but has agreed to transfer it to the Company.

162 A Form 5 Report was lodged for the reporting year which claims that expenditure of \$46,651 was incurred which is in excess of the minimum commitment of \$44,000.

163 On 12 February 2019, Wicksteed lodged an application for forfeiture in respect of E30/491 for the reporting year ending 2018.

164 The Company intends to defend the proceedings. We do not express a view on the prospects.

165 E30/491 is not a Priority Tenement.

### **Surrender & Renewal**

166 Voluntary partial surrenders have been lodged in respect of E30/454, E16/456 and E16/337 but as at the date of this report the partial surrenders have not been registered.

167 E29/889 was due to expire on 24 February 2019 but the Company lodged an extension of term application. If the application is granted, E29/889 will be extended for a further term of 5 years. If the application is refused, E29/889 will expire. We express no view as to whether the extension will be granted. E29/889 is not a Priority Tenement.

168 We are instructed that the Company intends to seek extensions of term in respect of the following tenements which are due to expire in the next 12 months:

168.1 E29/895 is due to expire on 6 April 2019;

- 168.2 P16/2888 is due to expire on 3 June 2019;
- 168.3 P16/2889 is due to expire on 3 June 2019;
- 168.4 E30/454 is due to expire on 9 July 2019;
- 168.5 E16/456 is due to expire on 10 July 2019;
- 168.6 M16/264 is due to expire on 11 March 2020;
- 168.7 M16/262 is due to expire on 11 March 2020; and
- 168.8 M16/263 is due to expire on 11 March 2020.
- 169 E30/454, E16/456 and M16/264 are Priority Tenements but the others are not.
- 170 Compulsory partial surrenders are due within the next 12 months for E16/456 and E30/454 which are Exploration Tenements. The land the subject of the Queen of Hearts and Python prospects will not be surrendered.

## CONCURRENT INTERESTS

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- 171 Mining tenements under the *Mining Act 1978* (WA) are exclusive only for the purposes for which they are granted and, where granted in respect of Crown land, are capable of co-existing:
- 171.1 in the case of miscellaneous licences and special prospecting licences, with other mining tenements; and
- 171.2 in all cases, with pastoral leases and native title.

### Concurrent mining tenements

- 172 Under the *Mining Act 1978* (WA), where mining tenements coexist, the subsequent tenement is deemed to be granted subject to a reservation of the rights of the prior tenement. In practice, in the absence of agreement to the contrary, this means that activities under the prior tenement are entitled to priority in the event of any conflict or interference.
- 173 Various Tenements coexist with mining tenements held by third parties and in a number of cases access agreements have been entered into to govern the concurrent exercise of rights on the common land.
- 174 The only Priority Tenement with an arrangement of this nature is M24/847 which includes land the subject of L24/210 held by Evolution Mining (Phoenix) Pty Ltd which was granted later in time following execution of an access agreement, the terms of which are not unusual and onerous.

### Pastoral leases

- 175 Under the *Mining Act 1978* (WA), the rights of a tenement holder generally have priority over the rights of a pastoral lessee, subject to the right of pastoral lessee to:
- 175.1 withhold consent to the conduct of activities within 400 meters of the outer edge of any water works, race, dam, well or bore; and
- 175.2 compensation for damage to improvements or loss of earnings from interference with pastoral activities.

- 176 In respect of the Priority Tenements:
- 176.1 M16/264, M24/39, M24/845, M24/846, M24/960, L24/115, L24/170, L24/174, L24/224, L24/233, application L24/240 and L30/66 include land the subject of the Mt Burges pastoral lease; and
- 176.2 M30/256 includes land the subject of the Riverina pastoral lease.
- 177 The provision of consent (if required) and payment of compensation (if applicable) is sometimes dealt with by an agreement which also provides for the consent of the pastoral lessee to the grant of the mining tenement.
- 178 We are instructed by the Company that:
- 178.1 it is not party to any agreements with pastoral lessees with the consequence that the rights of the pastoral lessees to withhold consent and seek compensation will be governed by the *Mining Act 1978* (WA); and
- 178.2 none of the proposed drilling in respect of the Resources Tenements or the Exploration Tenements is within the prescribed distance of an improvement such that the pastoral lessee is entitled to withhold consent.

#### **Native title**

- 179 The common law of Australia recognises the proprietary rights and interests of Aboriginal and Torres Strait Islander people arising under traditional laws and customs in relation to their traditional lands and waters.
- 180 These rights and interests will be recognised where the persons claiming to hold those rights and interests can establish that they have maintained a continuous connection with the land in accordance with traditional laws and customs since non-Indigenous settlement and those rights and interests have not been lawfully extinguished by the grant of rights and interests to other persons.
- 181 The *Native Title Act 1993* (Cth) codifies much of this common law and establishes a framework pursuant to which:
- 181.1 persons claiming to hold native title in land and waters, excluding freehold land and certain other specified categories of land, can have their claims determined by the Federal Court;
- 181.2 persons whose claim is registered because they demonstrate a *prima facie* case to hold native title are entitled to certain procedural rights in respect of the grant of future rights and interests, including mining tenements, to other persons over that land and waters; and
- 181.3 persons found to hold native title are entitled to compensation in respect of the effect on that native title of the grant to other persons over that land and waters of any rights and interests after the commencement of the *Racial Discrimination Act 1975* (Cth), including any future rights and interests.
- 182 In relation to the grant of mining tenements, the procedural rights referred to at 181.2 above which are enjoyed by registered native title claimants and native title holders include:
- 182.1 in respect of the proposed grant of exploration licences, a right to object to the application of the expedited procedure under the *Native Title Act 1993* (Cth) which, unless an objection is upheld, has the effect of permitting the grant of mining tenements without requiring negotiation in the same manner as for mining leases (described at 182.3 below) and to have that objection heard and determined by the National Native Title Tribunal;

- 182.2 in respect of the proposed grant of miscellaneous licences for specified infrastructure, a right to object in relation to the impact on native title of the activities proposed to be conducted under that licence, to be consulted in relation to that impact and to have that objection heard and determined by an independent person (in practice, the Chief Magistrate of Western Australia); and
- 182.3 in respect of the proposed grant of mining leases, an obligation to negotiate in good faith with the tenement applicant and the State of Western Australia with a view to reaching agreement in relation to the grant of that mining lease, failing which any party to those negotiations may, no earlier than six months after notification of proposed grant, apply
- to the National Native Title Tribunal for a determination as to whether or not the leases should be granted in the absence of agreement.
- 183 As referred to in Schedule 3, the majority of the Tenements (including the Priority Tenements) fall wholly or partially within:
- 183.1 the Maduwongga native title claim (WC2017/001) which was registered on 3 August 2017 (approximately 70% of the tenement land area); and
- 183.2 the Marlinyu Ghoorlie native title claim (WC2017/007) which was registered on 28 March 2019 (approximately 90% of the tenement land area).
- 184 Consequently, the Maduwongga and Marlinyu Ghoorlie native title claim groups will enjoy the procedural rights referred to paragraph 182 in respect of the grant of any tenement applications (as summarised at paragraphs 102 to 106 above in relation to the Tenements that have not yet been granted).
- 185 To the extent that the Tenements fall outside the registered Maduwongga or Marlinyu Ghoorlie native title claims, they fall within the unregistered Darlot claim (WC2018/005) to the north. Unregistered claimants do not enjoy procedural rights.
- 186 Mining tenements granted after the commencement of the *Racial Discrimination Act 1975* (Cth) and prior to the commencement of the *Native Title Act 1993* (Cth) that may have unlawfully affected native title are retrospectively validated with compensation payable to any determined native title holders.
- 187 M24/39 was granted on 16 January 1985, L24/115 was granted on 25 October 1988 and M30/103 was granted on 27 January 1995 with the consequence that their grant has been retrospectively validated insofar as it affects native title but any determined native title holder will be entitled to compensation.
- 188 Mining tenements granted after 23 December 1996 validly affect native title provided that the relevant applicable future act process has been complied with. The 'non-extinguishment principle' applies to the grant of those mining tenements with the effect that native title continues to exist in the land the subject of those tenements but have no effect in relation to the tenements to the extent of any inconsistency. Compensation is payable to any determined native title holders.
- 189 All of the Resource Tenements (save for M24/39 and M30/103), all of the Exploration Tenements and all of the Infrastructure Tenements (save for L24/115) were granted after 23 December 1996 with the consequence that, provided that the applicable future act process was complied with, the non-extinguishment principle applies but any determined native title holder will be entitled to compensation. There may be an issue as to whether L30/66 was granted in accordance with the applicable future act process. If it was not, L30/66 may be invalid insofar as it affects native title with the consequence that any determined native title holder would be entitled to compensation for interference with native title on the basis that the interference was unlawful rather than lawful. To address this issue, the Company has lodged application L30/69 as referred to above at paragraph 0.

- 190 Under the *Native Title Act 1993* (Cth) and the *Mining Act 1978* (WA), liability for payment of compensation referred to at 181.3 above in respect of the grant of a mining tenement falls upon the tenement holder at the time the compensation is determined except:
- 190.1 if the amount is to be paid and held in trust, in which case the liability falls upon the tenement holder at the time payment is required; and
- 190.2 in the event that, at the relevant time, the tenement has been surrendered, forfeited or expired, in which case the liability falls upon the tenement holder immediately prior to that surrender, forfeiture or expiry (as applicable).

## **STATUTORY APPROVALS FOR DRILLING**

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- 191 In order to undertake drilling on the Resource Tenements and the Exploration Tenements, the Company will require:
- 191.1 approved programmes of work; and
- 191.2 Aboriginal heritage clearance.

### **Programme of Work**

- 192 It is a condition of every exploration licence and mining lease that the holder must not conduct ground disturbing activities such as drilling on the tenement unless the holder has lodged a programme of work and it has been approved.
- 193 The Company has approved programmes of work required to undertake the proposed drilling on the Resource Tenements save that it may refine the drilling program in respect of the Siberia resource with the consequence that it requires a further programme of work.
- 194 The Company has approved programmes of work required to undertake the proposed drilling on the Exploration Tenements save for:
- 194.1 the programme of work to undertake the proposed drilling on the Lizard prospect which was submitted to the Department of Mines, Industry Regulation and Safety on 25 March 2019 has not yet been approved; and
- 194.2 a programme of work to undertake some of the proposed drilling on the Python South prospect has been approved but a revised programme which includes additional drilling was submitted to the Department of Mines, Industry Regulation and Safety on 25 March 2019 but has not yet been approved.

### **Aboriginal heritage clearance**

- 195 The *Aboriginal Heritage Act 1972* (WA) and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) protect places and objects of significance to Aboriginal and Torres Strait Islander people in accordance with their traditional laws and customs.
- 196 The Registrar of Aboriginal Sites maintains a non-exhaustive register of Aboriginal sites protected by the *Aboriginal Heritage Act 1972* (WA), as well as a record of other heritage places which may have cultural significance to Aboriginal people but either have not yet been assessed for the purposes of the Act or do not satisfy the criteria specified under the Act.

- 197 Information obtained by searches of the register maintained by the Department of Planning, Lands and Heritage under the *Aboriginal Heritage Act 1972* (WA) in relation to Aboriginal sites are included in Schedule 3 and indicate in relation to Priority Tenements that:
- 197.1 M30/256 includes land recorded as heritages places under the Act (which may or may not be site), being Croessus - Giles One (18563) and Croessus - Giles Two (18564);
  - 197.2 M16/264 includes land the subject of a registered Aboriginal site, being Credo 1 (534) and land included as a heritage place under the Act (which may or may not be site), being Credo 2 (535);
  - 197.3 L24/233 includes land recorded as a heritage place under the Act (which may or may not be site), being Borefield (36816); and
  - 197.4 L30/66 includes land the subject of two registered Aboriginal sites, being Wagine Soak (498) and Wanjin Rockholes (898).
- 198 The *Aboriginal Heritage Act 1972* (WA) provides that it is an offence for a person to damage or in any way alter an Aboriginal site protected by that Act, except with the consent of the Minister for Aboriginal Affairs.
- 199 The practical effect of both the *Aboriginal Heritage Act 1972* (WA) and the *Aboriginal and Torres Strait Islander Act 1984* (WA) is to require due diligence to be carried out prior to ground-disturbing works for the purposes of identifying whether or not those works may impact on an Aboriginal site. Due diligence will require, at a minimum, a search of the register of Aboriginal sites and, in most cases where the area has not been subject to previous disturbance, conduct of an Aboriginal heritage survey.
- 200 The majority of the proposed drilling on the Resource Tenements and the Exploration Tenements is being undertaken on land that was previously disturbed by historical work.
- 201 We are instructed that a proportion of the land affected by the drilling has not previously been disturbed:
- 201.1 Golden Eagle resource -5% of the land;
  - 201.2 Callion resource - 10% of the land;
  - 201.3 Waihi resource - 5% of the land;
  - 201.4 Riverina resource - 5% of the land;
  - 201.5 Peachtree prospect -70% of the land;
  - 201.6 Gila prospect - 75% of the land;
  - 201.7 Siberia South prospect -100% of the land;
  - 201.8 Queen of Hearts prospect - 100% of the land; and
  - 201.9 Python prospect -100% at the land.
- 202 We are instructed that the Company intends to obtain heritage clearance in respect of this undisturbed land by:
- 202.1 reviewing historical heritage survey reports of the area to confirm whether the land has previously been cleared by ethnographic and archaeological survey; and
  - 202.2 if necessary procuring the relevant native title claim group(s) to assist with the conduct of a further heritage survey.

## CONCLUSION

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- 203 DLA Piper Australia has given its written consent to the issue of the prospectus with this report in the form and context in which it is included and has not withdrawn its consent prior to the lodgement of the prospectus with the Australian Securities and Investment Commission. This report has been prepared only for the purpose of the prospectus and is not to be relied on for any other purpose.
- 204 This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the prospectus and is not to be relied on or used for any other purpose or quoted or referred to in any public documents or filed with any government body or other person without our prior consent. This report is issued subject to the exclusions, assumptions and qualifications in Schedule 2.
- 205 DLA Piper Australia will be paid its normal and usual professional fees for the preparation of this report. Except in respect of its professional fees and otherwise disclosed in the prospectus, DLA Piper Australia has no interest in the promotion of the Company.

Yours sincerely

**Alex Jones**  
**Partner**  
**Global Co-Chair - Energy & Natural Resources Sector**  
**DLA PIPER AUSTRALIA**

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## SCHEDULE 1: DOCUMENTS RELIED UPON

In preparing this report, we have relied upon:

- 1 the searches of the public databases undertaken by McMahon Mining Title Services Pty Ltd (ACN 104 341 817) on or about 13 February 2019 including:
  - 1.1 Mining tenement searches obtained from the register maintained by the Department of Mines, Industry Regulation and Safety;
  - 1.2 Quick Appraisal searches obtained from the TENGRAPH system maintained by the Department of Mines, Industry Regulation and Safety;
  - 1.3 Searches of the Register of Native Title Claims and National Native Title Register maintained by the National Native Title Tribunal;
  - 1.4 Searches of the Aboriginal Heritage Inquiry System maintained by the Department of Planning, Lands and Heritage; and
  - 1.5 Searches of the Mining Rehabilitation Fund (MRF) 2017 Data Release (Mining Activity and Disturbance Data reported by tenement holders for the period ended 30 June 2017 , based on data as at 7 August 2017), released by the Department of Mines, Industry Regulation and Safety.
- 2 copies of the following agreements provided by the Company:
  - 2.1 the Tenement Sale and Purchase Agreement made 2 May 2016 between Goldstar Resources (WA) Pty Ltd (ACN 104 567 240) and the Company (**Goldstar Agreement**);
  - 2.2 the Tenement Sale and Rights Agreement dated November 2016 between Heron Resources Limited (ACN 068 263 098), Atriplex Pty Ltd (ACN 113 719 207), Siberia Mining Corporation Pty Ltd (formerly Siberia Mining Corporation Limited) (ACN 097 650 194) and the Company, and the Sale Agreement dated 1997 between Westex Resources Pty Ltd (ACN 05 493 359), Anaconda Nickel Limited (ACN 060 370 785) and Kalgoorlie Metals Pty Ltd (ACN 077 565 523) (**Heron Agreement**);
  - 2.3 the Mineral Rights Agreement made 1 April 2005 between Robert Charles Gardener and Siberia Gold Operations Pty Ltd (ACN 106 609 170) (**Gardener Agreement**);
  - 2.4 the Siberia Tenement Purchase Agreement made 10 April 2002 between Siberia Mining Corporation Pty Ltd (formerly Braeside Australia Limited) (ACN 097 650 194) and Anaconda Exploration Pty Ltd (formerly Kalgoorlie Metals Pty Ltd) (ACN 077 565 523), and the Deed of Novation made 10 August 2004 between Siberia Mining Corporation Pty Ltd, Anaconda Exploration Pty Ltd and Heron Resources Limited (ACN 068 263 098) (**Heron Nickel Rights Agreement**);
  - 2.5 the Riverina Gold Project Assets Sale Agreement dated 2007 between Riverina Resources Pty Ltd (ACN 105 314 056), Barra Resources Limited (ACN 093 396 859), Carnegie Gold Pty Ltd and the Eastern Goldfields Limited (**Barra Nickel Rights Agreement**);
  - 2.6 the Offer to Purchase Alluvial Rights made 4 July 2010 between Eastern Goldfields, Hank Schrrers and Robert Mitchell (**Gold Rights Offer Letter**);
  - 2.7 the Prospector's Sub-Licence Agreement dated June 2015 and as varied between Eastern Goldfields Limited, Barra Resources Limited, Riverina Resources Pty Ltd and Glyn Thomas Morgan (**Morgan Gold Rights Agreement**);
  - 2.8 the Syndicated Facilities Agreement dated on or about 1 February 2017 between the Company, Investec Australia Limited (ACN 140 381 184), Investec PLC and others (**Facilities Agreement**);

- 2.9 the Camperdown Purchase Agreement dated September 2003 between FYI Resources Limited (formerly Solbec Pharmaceuticals Ltd) (ACN 061 289 218) and Siberia Mining Corporation Pty Ltd (**FYI Resources Agreement**);
- 2.10 the Asset Sale Agreement for the Davyhurst Project made 16 December 2005 between Independence Nova Holdings Pty Ltd, Ambassador Resources Limited, Carnegie Gold Pty Ltd (formerly Davyhurst Gold Pty Ltd) (ACN 117 116 097) and the Company (formerly Monarch Resources Limited) (**Davyhurst Sale Agreement**);
- 2.11 the Agreement for Sale of Mining Tenements made 11 November 1997 between Crown Diamonds Pty Ltd (formerly Majestic Resources NL) (ACN 050 541 332), the Davyhurst Sale Agreement, and the Deed of Assumption and Consent regarding the Crown Diamonds Royalty made 1 September 2006 between Ambassador Resources Limited (ACN 079 790 239), Carnegie Gold Pty Ltd and Crown Diamonds Pty Ltd (together **Crown Diamonds Royalty Agreement**);
- 2.12 the Sale Agreement made 9 September 1996 between Carbon Energy Limited (formerly Metx Resources NL) (ACN 057 552 137) and Consolidated Gold NL (ACN 004 488 420), Consolidated Gold NL (ACN 004 488 420) and Lone Star Exploration NL (ACN 007 708 429), the Davyhurst Sale Agreement, and the Deed of Assumption and Consent regarding the Metex Royalty made 22 December 2005 between Ambassador Resources Limited, Carnegie Gold Pty Ltd and Carbon Energy Limited (together **Metex Royalty Agreement**);
- 2.13 the Royalty Deed made 2 October 1996 between Consolidated Gold NL (ACN 004 488 420) and Austsino Resources Group Limited (formerly Greater Pacific Gold NL) (ACN 009 076 242), the Davyhurst Sale Agreement, and the Deed of Assumption and Consent regarding the Greater Pacific Gold Royalty made 11 January 2006 between Ambassador Resources Limited, Carnegie Gold Pty Ltd and Austsino Resources Group Limited (together the **GPG Royalty Agreement**);
- 2.14 the Agreement for Sale of Exploration Licence 30/221 made 2 April 2001 between Independence Nova Holdings Pty Ltd (formerly Croesus Mining NL) (ACN 009 150 083) and Great Southern Mines NL (ACN 009 266 737), the Davyhurst Sale Agreement, and the Deed of Assumption and Consent regarding the Great Southern Mines Royalty made 1 January 2007 between Independence Nova Holdings Pty Ltd, Carnegie Gold Pty Ltd and Great Southern Mines NL (together the **GSM Royalty Agreement**);
- 2.15 the Agreement for Sale and Purchase of Exploration Licences 30/107 and 30/125 made 6 April 2001 between Ambassador Resourced Limited and Scandivanadium Ltd (formerly Australian Ethanol Limited) (ACN 061 375 442), the Davyhurst Sale Agreement, and the Deed of Assumption and Consent regarding the Australian Ethanol Limited Royalty made 6 February 2007 between Ambassador Resources Limited, Carnegie Gold Pty Ltd and Scandivanadium Ltd (together the **AE Royalty Agreement**);
- 2.16 the Agreement for Sale of Mining Tenements made 9 July 1996 between BHP Billiton Nickel West Pty Ltd (formerly WMC Resources Ltd) (ACN 004 184 598) and between Consolidated Gold NL (ACN 004 488 420), the Davyhurst Sale Agreement, and the Deed of Assumption and Consent regarding the WMC Royalty made 15 April 2006 between Ambassador Resources Limited, Carnegie Gold Pty Ltd and BHP Billiton Nickel West Pty Ltd (together the **WMC Royalty Agreement**);
- 2.17 the Agreement for Sale of Mining Tenement Interest dated 5 September 1995 between Burmine Exploration NL (ACN 006 684 297) and Consex Limited (ACN 004 488 420), the Davyhurst Sale Agreement, and the Deed of Assumption and Consent regarding the St Barbara Royalty between Ambassador Resources Limited, Carnegie Gold and St Barbara Limited (ACN 009 165 066) (together the **St Barbara Royalty Agreement**);
- 2.18 the Agreement for Sale dated 15 May 1997 between Consolidated Gold NL (ACN 004 488 420) and Dart Mining Contractors Pty Ltd (ACN 009 427 178), the Davyhurst Sale Agreement, and the Deed of Covenant dated 16 December 2005 between Ambassador Resources Limited and Carnegie Gold Pty Ltd (together the **Dart Royalty Agreement**);
- 2.19 the Sale Agreement made 17 December 2001 between Mobile Gold Mining Pty Ltd (ACN 087 790 001) and Hamill Resources Pty Ltd (ACN 095 047 920) and Deed of Assignment and

Assumption dated 2007 between Mobile Gold Mining Pty Ltd, International Goldfields Limited (ACN 118 108 615), Kingsday Holdings Pty Ltd (ACN 124 403 229) as trustee for the Blue Gum Trust and Mt Ida Gold Pty Ltd (ACN 106 608 986) (together the **Mobile Gold Royalty Agreement**); and

2.20 the Sale Agreement for Siberia and Lady Ida Projects made 30 October 2003 between Gilt-Edged Mining NL (ACN 073 565 796), Paddington Gold Pty Ltd (ACN 008 585 886), Ida Gold Pty Ltd, Barrick (PD) Australia Pty Limited (formerly Placer Dome Asia Pacific Limited) (ACN 050 284 967) and Siberia Mining Corporation Pty Ltd (**Siberia Sale Agreement**).

3 copies of the following Programmes of Work for the Resources Tenements and the Exploration Tenements:

3.1 programme of work approval for use of ground disturbing equipment on M30/255 dated 24 May 2018 (ID: 73788);

3.2 programme of work approval for use of ground disturbing equipment on M30/103 dated 17 January 2019 (ID: 77606);

3.3 programme of work approval for use of ground disturbing equipment on M30/255 dated 7 May 2018 (ID: 73701);

3.4 programme of work approval for use of ground disturbing equipment on M30/126 and M30/255 dated 17 January 2019 (ID: 77603);

3.5 programme of work approval for use of ground disturbing equipment on M30/256 dated 1 September 2017 (ID: 69039); and

3.6 programme of work approval for exploration on E 30/335 dated 21 October 2016 (ID: 60695);

3.7 programme of work for exploration on M16/264 dated 25 March 2019 (ID: 79187);

3.8 programme of work for exploration on M30/256 dated 19 December 2018 (ID: 77639);

3.9 programme of work approval for exploration on E16/456 dated 16 June 2015 (ID: 59490);

3.10 programme of work approval for exploration on E30/334, E30/454, M30/126 and P30/1060 dated 27 July 2016 (ID: 59671);

3.11 programme of work approval for exploration on M24/846 and M24/847 dated 15 October 2015 (ID: 59278); and

3.12 programme of work approval for exploration on E29/955, M24/845 and M24/846 dated 20 December 2016 (ID: 61389).

## SCHEDULE 2: EXCLUSIONS, ASSUMPTIONS AND QUALIFICATIONS

### Exclusions

This report relates only to the ownership of rights and interests in the mining tenements comprising the Tenements and specifically excludes any analysis of the ownership of any plant, equipment or other chattels on the land the subject of those mining tenements.

### Assumptions

This report is subject to the following assumptions (in addition to any assumptions expressed elsewhere in this report):

- 1 we have assumed that information provided by third parties, including various government departments, in response to searches and enquiries made by us is accurate, complete and up to date as at the date of its receipt by us;
- 2 we have assumed that the contracts referred to in this report were within the capacity and powers of, and were validly authorised, stamped or lodged for stamping (where necessary), executed, delivered by and are legally binding on and enforceable against the parties to them and comprise the entire agreement of the parties to each of them with respect to their respective subject matters;
- 3 we have assumed that the signatures on the contracts referred to in this report are authentic;
- 4 we have assumed that there are no material documents or information to be provided other than the contracts referred to in this report;
- 5 we have assumed that the parties to each of the contracts referred to in this report are complying with and will continue to comply with and fulfil the terms of each of the contracts referred to in this report; and
- 6 we have assumed the completeness and the conformity to original documents of all copies reviewed.

### Qualifications

This report is subject to the following qualifications (in addition to any qualifications expressed elsewhere in this report):

- 1 in relation to any statement relating to whether a mining tenement is in good standing, such statement is only based on the information contained in the relevant search on the instrument of title for that tenement; and
- 2 where compliance with the terms and conditions of any mining tenements and the provisions of the *Mining Act 1978* (WA) including requirements necessary to maintain the tenements in good standing, or a possible claim in relation to the tenements by third parties is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim.



**SCHEDULE 3: TENEMENTS**

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
M24/0039	Resource Tenement (Siberia)	745.75 ha	16/01/85	15/01/27	Gardner, Robert Charles	100% beneficial interest in gold and silver minerals	Gardner: 100% legal interest and 100% right to all minerals other than gold and silver	Sand King waste landform	Caveat 187H/034 lodged by WMC Resources Ltd (now BHP Billiton Nickel West Pty Ltd)	\$74,600 (for year ending 15-Jan-20) 2019 expenditure has not yet been lodged(\$77,964.00 reported for year ending 15/01/18)	\$13,950.20 (for year ending 15/01/21)	\$9,083.96	Nil	7% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Gardener Agreement	Nil
M24/0960	Resource Tenement (Siberia)	2031 ha	2/12/16	1/12/37	Siberia Mining Corporation Pty Ltd	1. 100% legal interest 2.100% beneficial interest in all minerals except non-sulphide, laterite nickel, cobalt and alluvial gold minerals	1. Charles Gardner holds 100% beneficial interest in non-sulphide, laterite nickel and cobalt mineral rights 2. Schreers & Mitchell hold interest in alluvial gold 3. Morgan holds interest in alluvial gold	1. Reserve: 2.0Mt @ 2.3g/t for 150koz 2. Resource: 2453 kt @ 3.41 g/t for 269 koz Au (SK total) 2431 kt @ 2.93 g/t for 229.2 koz Au (Miss total) 292 kt @ 2.36 g/t for 22.2 koz Au 50 kt @ 2.3 g/t for 3.7 koz Au 3. Infrastructure: Mining	1. FYI Resources Royalty 2. Caveat 519084 lodged by BHP Billiton Nickel West Pty Ltd 3. Caveat 546053 lodged by City of Kalgoorlie-Boulder 4. Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541456 to Hawke's Point Holdings II Limited registered 31 January 2019 5. Siberia Sale Agreement Royalty	\$203,100 (for year ending 1-Dec-19)(Expenditure not yet reported for year ending 01/12/18)	\$37,979.70 (for year ending 01/12/20)	\$28,386.48	PLA24/5327 (Brown Hugh & Mokhaiber Hamdi)	35% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	1. Gardener Agreement 2. Alluvial Gold Rights Offer Letter 3. Morgan Gold Rights Agreement 4. FYI Resources Agreement 5. Siberia Sale Agreement	Nil
M30/0103	Resource Tenement (Callion)	219.15 ha	27/01/93	26/01/35	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Resource: 169 kt @ 2.55 g/t for 13.9 koz Au	1. Crown Diamonds Royalty 2. Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541420 to Hawke's Point Holdings II Limited registered 26 October 2018	\$22,000 (for year ending 26-Jan-20) 2019 expenditure has not yet been lodged(\$30,191.00 reported for year ending 26/01/18)	\$4,114.00 (for year ending 26/01/21). Rent for 2018-19 (\$3,872) overdue	\$4,922.60	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Crown Diamonds Royalty Agreement	Nil
M30/0255	Resource Tenement (Golden Eagle and Waihi) and Infrastructure Tenement	7539.219 ha	11/01/17	10/01/38	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	1. Resource: 656 kt @ 2.55 g/t for 53.7 koz Au 254 kt @ 4.23 g/t for 34.5 koz Au 2138 kt @ 1.98 g/t for 136 koz Au 914 kt @ 2.4 g/t for 70.5 koz Au (Waihi total) 382 kt @ 2.25 g/t for 27.7 koz Au 307 kt @ 2.84 g/t for 28 koz Au 664 kt @ 1.67 g/t for 35.7 koz Au 107 kt @ 2.47 g/t for 8.5 koz Au 235 kt @ 1.82 g/t for 13.7 koz Au 186 kt @ 1.8 g/t for 10.8 koz Au 2. Infrastructure: Process plant, TSF, admin buildings, warehouse, workshops, camp	1. Metex Royalty 2. Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541427 to Hawke's Point Holdings II Limited registered 24 December 2018	\$754,000 (for year ending 10-Jan-20) 2019 expenditure has not yet been lodged(\$32,304,502 .00 reported for year ending 10/01/18)	\$140,998.00 (for year ending 10/01/21) Rent for 2018-19 (\$132,704) overdue	\$99,426.05	E16/514 (Gold Geological Consulting Pty Ltd); ELA30/501 (Kalgoorlie Nickel Pty Ltd); ELA30/502 (Kalgoorlie Nickel Pty Ltd); E30/506 (Gold Geological Consulting Pty Ltd)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Metex Royalty Agreement	Application for Forfeiture 512652 by NU-FORTUNE GOLD PTY LTD recorded 16/08/17
M30/0256	Resource Tenement (Riverina) and Exploration Tenement (Peachtree prospect)	7500 ha	21/04/17	20/04/38	Carnegie Gold Pty Ltd	100% legal interest, 100% beneficial interest in all minerals except nickel	Barra Resources holds 100% interest in nickel minerals	1. Resource: 2585 kt @ 2.46 g/t for 204.8 koz Au (Riv total) 2048 kt @ 1.95 g/t for 128.2 koz Au 822 kt @ 1.81 g/t for 47.7 koz Au 174 kt @ 2.55 g/t for 14.3 koz Au 2. Infrastructure: Mining, waste landform	1. GPG Royalty 2. WMC Royalty 3. St Barbara Royalty 4. Caveat 509262 lodged by St Barbara Limited 5. Mortgage 505319 by Investec Australia Limited registered 27 April 2017, mortgage transfer 541393 to Hawke's Point Holdings II Limited registered 26 October 2018	\$750,000 (for year ending 20-Apr-19) (\$1,785,933.00 reported for year ending 20/04/18)	\$140,250.00 (for year ending 20/04/20) Rent for 2018-19 (\$132,000) overdue	\$21,108.80	Nil	1.1% Riverina Pastoral Lease (N049888)	38.8% of the area is the subject of the Maduwongga native title claim (WC2017/001) 56.42% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites 2 Other Heritage Place Croessus - Giles One (18563) and Croessus - Giles Two (18564)	1. Barra Nickel Rights Agreement 2. GPG Royalty Agreement 3. WMC Royalty Agreement 4. St Barbara Royalty Agreement	Application for Forfeiture 512652 by NU-FORTUNE GOLD PTY LTD recorded 16/08/17

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
M16/0264	Exploration Tenement (Lizard prospect)	990.95 ha	12/03/99	11/03/20	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Resource: 194 kt @ 3.8 g/t for 23.7 koz Au	1. Siberia Sale Agreement Royalty 2. Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541451 to Hawke's Point Holdings II Limited registered 24 December 2018	\$99,100 (for year ending 11-Mar-19)(\$36,628.00 reported for year ending 11/03/18. \$0 expenditure required as tenement subject to third party application for forfeiture for the entirety of the year). (Exemption pending for 2011 year (exemption sought \$99,100))	\$18,531.70 (for year ending 11/03/20). Rent for 2015-16 (\$15,955.1), 2016-17 (\$16,351.5), 2017-18 (\$16,896.55) and 2018-19 (\$17,441.60) overdue	\$3,008.87	E15/1655 (Black Mountain Gold Limited)	4.7% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	1 Registered Site: Credo 1. (534) 1 Other Heritage Place Credo 2 (535)	Siberia Sale Agreement	1. Application for Forfeiture 371017 by THOMPSON, Michael Allan recorded 09/05/11 2. Objection 372763 by THOMPSON, Michael Allan to Exemption From Expenditure recorded 27/05/11
M24/0845	Exploration Tenement (Siberia South prospect)	897 ha	25/03/04	24/03/25	Siberia Mining Corporation Pty Ltd	100% legal beneficial interest in all minerals except laterite nickel, cobalt and alluvial gold minerals	1. Heron holds 100% beneficial interest in laterite nickel and cobalt minerals 2. Morgan holds interest in alluvial gold	Nil	1. Precious metals and other minerals royalty payable to Heron 2. Caveat 118H/045 by Heron Resources Ltd 3. Caveat 504351 lodged by City of Kalgoorlie-Boulder	\$89,700 (for year ending 24-Mar-19) (\$248,236.00 reported for year ending 24/03/18)	\$16,773.90 (for year ending 24/03/20)	\$0.00	Nil	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	1. Heron Nickel Rights Agreement 2. Morgan Gold Rights Agreement	Nil
M24/0846	Exploration Tenement (Siberia South prospect)	607 ha	25/03/04	24/03/25	Siberia Mining Corporation Pty Ltd	100% legal beneficial interest in all minerals except laterite nickel, cobalt and alluvial gold minerals	1. Heron holds 100% beneficial interest in laterite nickel and cobalt minerals 2. Morgan holds interest in alluvial gold	Nil	1. Precious metals and other minerals royalty payable to Heron 2. Caveat 119H/045 lodged by Heron Resources Ltd 3. Caveat 504352 lodged by City of Kalgoorlie-Boulder	\$60,700 (for year ending 24-Mar-19)(\$23,354.00 reported for year ending 24/03/18. \$0 expenditure required as tenement subject to third party application for forfeiture for the entirety of the year)	\$11,350.90 (for year ending 24/03/20)	\$0.00	Nil	9% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	1. Heron Nickel Rights Agreement 2. Morgan Gold Rights Agreement	Nil
M24/0847	Exploration Tenement (Siberia South prospect)	812 ha	25/03/04	24/03/25	Siberia Mining Corporation Pty Ltd	100% legal beneficial interest in all minerals except laterite nickel, cobalt and alluvial gold minerals	1. Heron holds 100% beneficial interest in laterite nickel and cobalt minerals 2. Morgan holds interest in alluvial gold	Nil	1. Precious metals and other minerals royalty payable to Heron 2. Caveat 120H/045 lodged by Heron Resources Ltd 3. Caveat 504353 lodged by City of Kalgoorlie-Boulder	\$81,200 (for year ending 24-Mar-19)(\$28,268.00 reported for year ending 24/03/18. \$0 expenditure required as tenement subject to third party application for forfeiture for the entirety of the year). (Exemption pending for 2015 year (exemption sought \$81,200))	\$15,184.40 (for year ending 24/03/20)	\$0.00	L24/210 (Evolution Mining (Phoenix) Pty Limited)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	1. Heron Nickel Rights Agreement 2. Morgan Gold Rights Agreement	Nil
E16/0456	Exploration Tenement (Python prospect)	27 BL (pending voluntary partial surrender of 10 BL lodged 27/03/19)	11/07/14	10/07/19	Siberia Mining Corporation Pty Ltd	100% legal beneficial interest in all minerals	Nil	Nil	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541431 to Hawke's Point Holdings II Limited registered 24 December 2018	\$40,500 (for year ending 10-Jul-19) (\$44,520.00 reported for year ending 10/07/18)	\$8,100.00 (for year ending 10/07/20)	\$0.00	Nil	Nil	28.9% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Nil	Forfeiture 542810 initiated for non-compliance with reporting requirements (Form 5) recorded 23/11/18
E30/0335	Exploration Tenement (Gila prospect)	38 BL	19/12/08	18/12/20	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	1. GSM Royalty 2. AE Royalty 3. Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541406 to Hawke's Point Holdings II Limited registered 24 December 2018	\$123,000 (for year ending 18-Dec-19). (Expenditure not yet reported for year ending 18/12/18. \$0 expenditure required as tenement subject to third party application for forfeiture for the entirety of the year)	\$23,247.00 (for year ending 18/12/20). Rent for 2015-16 (\$20,524.6) and 2017-18 (\$21,935) overdue	\$1,644.07	P30/1140-s (Metz Stefan)	Nil	63.3% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	1. GSM Royalty Agreement 2. AE Royalty Agreement	Nil
E30/0454	Exploration Tenement (Queen of)	7 BL (Pending voluntary partial)	10/07/14	9/07/19 (1 Pending amalgam)	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541409 to Hawke's	\$30,000 (for year ending 9-Jul-19). (\$33,261.00 reported for year	\$2,100.00 (for year ending 09/05/20). Rent for 2018-	\$0.00	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001)	No Registered Sites No Other Heritage Places	Nil	Application for Forfeiture 512649 by NU-FORTUNE

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
	Hearts prospect)	surrender of 4 BL lodged 18/03/19)		ation: Amalgamation 519441 Lodged 1 December 2017. Amalgamation portion of P30/1110)					Point Holdings II Limited registered 26 October 2018	ending 09/07/18). (Exemption pending for 2017 year (exemption sought \$20,000)	19 (\$1,540) overdue				100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)			GOLD PTY LTD recorded 16/08/17
L24/0115 (pipeline, road, power and taking water)	Infrastructure Tenement	1.041 ha	25/10/88	24/10/23	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	2 0.25 Ha squares (bore sites?) connected by 250 m of easement plus ~ 250 m of other easements; completely on L24/233, abutting M24960 (Miss/SK); bores may exist	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541442 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$33.00 (for year ending 24/10/20)	\$0.00	Nil	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
L24/0170 (pipeline, road, power and taking water)	Infrastructure Tenement	197.882 ha	14/05/97	13/05/22	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	4 Reticular easements and connections for borefield; largely contained in L24/188	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541415 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$3,267.00 (for year ending 13/05/20)	\$0.00	Nil	97.8% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
L24/0174 (pipeline, road, power line and taking water)	Infrastructure Tenement	98.376 ha	22/12/97	21/12/22	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	2 Reticular easements and connections for borefield; Joins to L24/174, some overlap with in L24/188	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541416 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$1,633.50 (for year ending 21/12/20)	\$0.00	Nil	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
L24/0224 (road)	Infrastructure Tenement	8 ha	7/07/16	6/07/37	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	~ 1.5 km Haul road DVH Rd to M24/960 (Miss/SK); road exists and used	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541448 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$132.00 (for year ending 06/07/20)	\$0.00	PLA24/5327 (Brown Hugh & Mokhaiber Hamdi)	98.7% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
L24/0233 (search for groundwater)	Infrastructure Tenement	3660.12 ha	21/03/17	20/03/38	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Borefield NW of Siberia	Nil	Nil	\$1,830.50 (for year ending 20/03/20)	\$0.00	ELA29/1051 (Discovery Capital Limited)	94.5% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites 1 Other Heritage Place: Borefield (36816)	Nil	Nil
L24/0240 (bore, bore field, pipeline, road and taking water)	Infrastructure Tenement	360 ha	13/08/18	-	Carnegie Gold Pty Ltd	Application holder	Nil	~ 75 km of pipeline easement connecting Sib borefield to DVH (L24/233 to M30/255); replaces L24/232	Nil	Nil	-	-	ELA29/1051 (Discovery Capital Limited); I30/65 (MLG Oz Pty Ltd)	59.4% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Objection 537681 by MLG OZ PTY LTD to Tenement Application recorded 23/08/18
L30/0037 (pipeline, road, power line and taking water)	Infrastructure Tenement	11 ha	14/05/97	13/05/22	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Papertalk ~ 5 km of pipeline easement connecting bores at N end to near the N corner of the DVH TSF (M30/255)	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541418 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$181.50 (for year ending 13/05/20)	\$0.00	ELA30/501 (Kalgoorlie Nickel Pty Ltd); ELA30/502 (Kalgoorlie Nickel Pty Ltd)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
L30/0066 (road and storage or	Infrastructure Tenement	91 ha	2/03/18	1/03/39	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all	Nil	~ 20.5 km of Haul road access Siberia to DVH (Wangine Lake	Nil	Nil	\$1,501.50 (for year ending 01/03/20)	\$0.00	ELA30/497 (MLG Oz Pty Ltd); ELA30/498 (MLG Oz Pty Ltd); L30/65 (MLG Oz Pty Ltd);	6.9% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim	2 Registered Sites: Wagine Soak (498) and Wanjin Rockholes	Nil	Nil

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings		
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual ex-GST	Rent	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
transportation of minerals or concentrate)						minerals		to M30/255)								(WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	(898) No Other Heritage Places		
G30/0006 (storage or transportation of minerals or concentrate, water management, tailings)	Infrastructure Tenement	8.6 ha	20/07/18	-	Carnegie Gold Pty Ltd	Application holder	Nil	Nil	Nil	-	-	-	-	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
G30/0007 (storage or transportation of minerals or concentrate, water management, tailings)	Infrastructure Tenement	6.7 ha	20/07/18	-	Carnegie Gold Pty Ltd	Application holder	Nil	Nil	Nil	-	-	-	-	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
L30/0035 (pipeline and road)	not a Priority Tenement	41.4 ha	6/11/92	5/11/22	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	~ 21 km easement covering much of pipeliien form Siberia borefield to DVH; will be replaced by L24/240 when granted	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541417 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$693.00 (for year ending 05/11/20)	\$0.00	\$0.00	ELA29/1051 (Discovery Capital Limited); I30/65 (MLG Oz Pty Ltd)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
L30/0069 (road and storage or transportation of minerals or concentrate)	Infrastructure Tenement	91 ha	3/05/18	-	Carnegie Gold Pty Ltd	Application holder	Nil	Covers same ground as L30/66, will replace when granted	Nil	Nil	-	-	-	E30/497 (MLG Oz Pty Ltd); E30/498 (MLG Oz Pty Ltd); L30/65 (MLG Oz Pty Ltd)	6.9% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	2 Registered Sites: Wagine Soak (498) and Wanjin Rockholes (898) No Other Heritage Places	Nil	Objection 530371 by MLG OZ PTY LTD to Tenement Application recorded 16/05/18
M16/0262	not a Priority Tenement	989.35 ha	12/03/99	11/03/20	Siberia Mining Corporation Pty Ltd	100% legal interest, 100% beneficial interest in all minerals	Nil	Resource: 2722 kt @ 2.03 g/t for 177.3 koz Au	1. Siberia Sale Agreement Royalty 2. Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541451 to Hawke's Point Holdings II Limited registered 24 December 2018	\$99,000 (for year ending 11-Mar-19) (\$37,698.00 reported for year ending 11/03/18. \$0 expenditure required as tenement subject to third party application for forfeiture for the entirety of the year). (Exemption pending for 2011 year (exemption sought \$99,000))	\$18,513.00 (for year ending 11/03/20). Rent for 2015-16 (\$15,939), 2016-17 (\$16,335), 2017-18 (\$16,879.5) and 2018-19 (\$17,424) overdue	\$1,722.68	\$0.00	E15/1655 (Black Mountain Gold Limited)	Nil	100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Siberia Sale Agreement	1. Application for Forfeiture 371015 by THOMPSON, Michael Allan recorded 09/05/11 2. Objection 372761 by THOMPSON, Michael Allan to Exemption From Expenditure recorded 27/05/11
M16/0263	not a Priority Tenement	999.15 ha	12/03/99	11/03/20	Siberia Mining Corporation Pty Ltd	100% legal interest, 100% beneficial interest in all minerals	Nil	Nil	1. Siberia Sale Agreement Royalty 2. Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541451 to Hawke's Point Holdings II Limited registered 24 December 2018	\$100,000 (for year ending 11-Mar-19) (\$38,165.00 reported for year ending 11/03/18. \$0 expenditure required as tenement subject to third party application for forfeiture for the entirety of the year). (Exemption pending for 2011 year (exemption sought \$100,000))	\$18,700.00 (for year ending 11/03/20). Rent for 2015-16 (\$16,100), 2016-17 (\$16,500), 2017-18 (\$17,050) and 2018-19 (\$17,600) overdue	\$515.55	\$0.00	E15/1655 (Black Mountain Gold Limited)	Nil	100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Siberia Sale Agreement	1. Application for Forfeiture 371016 by THOMPSON, Michael Allan recorded 09/05/11 2. Objection 372762 by THOMPSON, Michael Allan to Exemption From Expenditure recorded 27/05/11
M16/0470	not a Priority Tenement	576.95 ha	9/12/03	8/12/24	Carnegie Gold Pty Ltd	100% legal interest, 100% beneficial interest in all	Nil	Nil	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541419 to Hawke's	\$57,700 (for year ending 8-Dec-19)(Expenditure not yet reported for year	\$10,789.90 (for year ending 08/12/20). Rent for 2017-	\$1,776.93	\$0.00	E16/513 (Gold Geological Consulting Pty Ltd)	Nil	100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
						minerals			Point Holdings II Limited registered 24 December 2018	ending 08/12/18. \$0 expenditure required as tenement subject to third party application for forfeiture for the entirety of the year). (Exemption pending for 2014 year (exemption sought \$57,700))	18 (\$10,155.2) overdue							
M24/0848	not a Priority Tenement	789 ha	25/03/04	24/03/25	Siberia Mining Corporation Pty Ltd	100% legal interest, 100% beneficial interest in all minerals except laterite nickel, cobalt and alluvial gold minerals	1. Heron holds 100% beneficial interest in laterite nickel and cobalt minerals 2. Morgan holds interest in alluvial gold	Resource: 434 kt @ 3.5 g/t for 48.8 koz Au	1. Precious metals and other minerals royalty payable to Heron 2. Caveat 121H/045 lodged by Heron Resources Ltd 3. Caveat 504354 lodged by City of Kalgoorlie-Boulder	\$78,900 (for year ending 24-Mar-19) (\$31,386.00) reported for year ending 24/03/18. \$0 expenditure required as tenement subject to third party application for forfeiture for the entirety of the year)	\$14,754.30 (for year ending 24/03/20)	\$0.00	L24/210 (Evolution Mining (Phoenix) Pty Limited)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	1. Heron Nickel Rights Agreement 2. Morgan Gold Rights Agreement	Nil
M29/0002	not a Priority Tenement	382.85 ha	22/12/82	21/12/24	Mt Ida Gold Pty Ltd	100% legal interest, 100% beneficial interest in all minerals except iron ore	Third party holds beneficial interest in iron ore	Resource: 136 kt @ 18.6 g/t for 81.3 koz Au 143 kt @ 9.3 g/t for 42.8 koz Au 39 kt @ 13.3 g/t for 16.7 koz Au No known resource	1. Mobile Gold Royalty 2. Caveat 314896 lodged by Kingsday Holdings Pty Ltd 3. Caveat 510258 Alodged by Shire of Menzies 4. Caveat 527488 lodged by Mobile Gold Mining Pty Ltd 5. Mortgage 493005 lodged by Hamill Resources Ltd	\$38,300 (for year ending 21-Dec-19) (Expenditure not yet reported for year ending 21/12/18)	\$7,162.10 (for year ending 21/12/20)	\$5,155.24	Nil	28.9% Riverina Pastoral Lease (N049888); 60.3% Perrinvale Pastoral Lease (N050261)	Nil	No Registered Aboriginal Sites No Other Heritage Places	1. Mobile Gold Royalty Agreement 2. Mt Ida Rights Agreement	Nil
M29/0165	not a Priority Tenement	160.25 ha	21/12/94	20/12/36	Mt Ida Gold Pty Ltd (95%) Hooper, Stuart Leslie (5%)	95% legal and beneficial interest in all minerals except iron ore	1. Stuart Hooper: 5% legal and beneficial interest in all rights except iron ore (free carried to completion of a BFS) 2. Third party holds beneficial interest in iron ore	TSF	Caveat 314897 lodged by Kingsday Holdings Pty Ltd	\$16,100 (for year ending 20-Dec-19)(Expenditure not yet reported for year ending 20/12/18)	\$3,010.70 (for year ending 20/12/20)	\$2,962.23	Nil	55.7% Perrinvale Pastoral Lease (N050261)	Nil	No Registered Aboriginal Sites No Other Heritage Places	1. Hooper JV Agreement 2. Mt Ida Rights Agreement	Nil
M29/0422	not a Priority Tenement	288.3066 ha	22/11/13	21/11/34	Mt Ida Gold Pty Ltd	100% legal interest, 100% beneficial interest in all minerals except iron ore	Third party holds beneficial interest in iron ore	Nil	Mortgage 501756 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541399 to Hawke's Point Holdings II Limited registered 26 October 2018	\$28,900 (for year ending 21-Nov-19) (\$32,858.00) reported for year ending 21/11/18)	\$5,404.30 (for year ending 21/11/20)	\$0.00	Nil	100% Perrinvale Pastoral Lease (N050261)	Nil	No Registered Aboriginal Sites No Other Heritage Places	Mt Ida Rights Agreement	Nil
M30/0102	not a Priority Tenement	115.45 ha	11/12/92	10/12/34	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	1. Crown Diamonds Royalty 2. Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541401 to Hawke's Point Holdings II Limited registered 26 October 2018	\$11,600 (for year ending 10-Dec-19) (Expenditure not yet reported for year ending 10/12/18 but \$0 expenditure required as tenement subject to third party application for forfeiture for the entirety of the year). (Exemption pending for 2014 year (exemption sought \$11,600))	\$2,169.20 (for year ending 10/12/20) Rent for 2015-16 (\$1,914) and 2017-18 (\$2,041.6) overdue	\$1,722.07	Nil	Nil	100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Crown Diamonds Royalty Agreement	Nil
M30/0253	not a Priority Tenement	267 ha	3/03/17	2/03/38	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Resource: 493 kt @ 2.04 g/t for 32.3 koz Au	Caveat 506391 lodged by Tasex Geological Services Pty Ltd	\$26,700 (for year ending 2-Mar-19) (\$16,430.00) reported for year ending 02/03/18.	\$4,992.90 (for year ending 02/03/20)	\$0.00	Nil	36.8% Riverina Pastoral Lease (N049888)	64.4% of the area is the subject of the Maduwongga native title claim (WC2017/001)	No Registered Aboriginal Sites No Other Heritage Places	Nil	1. Application for Forfeiture 512663 by NU-FORTUNE GOLD PTY LTD

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings		
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual ex-GST	Rent	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
										2018 expenditure should meet once expenditure reduced prorata as tenement subject to third party application for forfeiture for part of the year)									recorded 16/08/17 2. Plaintiff 513565 lodged by Tasex Geological Services Pty Ltd
E16/0344	not a Priority Tenement	10 BL	29/04/08	28/04/20	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541430 to Hawke's Point Holdings II Limited registered 24 December 2018	\$70,000 (for year ending 28-Apr-19) (\$71,788.00 reported for year ending 28/04/18)	\$5,670.00 (for year ending 28/04/20)	\$0.00	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil	Nil
E16/0475	not a Priority Tenement	17 BL	5/10/15	4/10/20	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541404 to Hawke's Point Holdings II Limited registered 24 December 2018	\$30,000 (for year ending 4-Oct-19) (\$20,665.00 reported for year ending 04/10/18)	\$3,740.00 (for year ending 04/10/20)	\$0.00	Nil	58.9% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil	Nil
E29/0640	not a Priority Tenement	41 BL	24/06/08	23/06/20 (2 Pending amalgamations: 1. Amalgamation 531265 Lodged 28 May 2018. Amalgamation portion of former P29/2319 2. Amalgamation 531266 Lodged 28 May 2018. Amalgamation portion of former P29/2326 )	Mt Ida Gold Pty Ltd	100% legal interest, 100% beneficial interest in all minerals except iron ore	Third party holds beneficial interest in iron ore	Nil	Mortgage 501756 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541395 to Hawke's Point Holdings II Limited registered 26 October 2018	\$123,000 (for year ending 23-Jun-19) (\$207,780.00 reported for year ending 23/06/18)	\$23,247.00 (for year ending 23/06/20)	\$0.00	Nil	27.9% Riverina Pastoral Lease (N049888); 61.6% Perrinvale Pastoral Lease (N050261); 3.4% Riverina Pastoral Lease (N049874)	Nil	No Registered Aboriginal Sites No Other Heritage Places	Mt Ida Rights Agreement	Nil	
E30/0333	not a Priority Tenement	8 BL	2/09/08	1/09/20	Carnegie Gold Pty Ltd	100% legal interest, 100% beneficial interest in all minerals except laterite nickel, cobalt and alluvial gold minerals	1. Barra Resources holds 100% interest in nickel minerals 2. Morgan holds interest in alluvial gold	Nil	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541405 to Hawke's Point Holdings II Limited registered 26 October 2018	\$70,000 (for year ending 1-Sep-19) (\$75,069.00 reported for year ending 01/09/18)	\$4,536.00 (for year ending 01/09/20)	\$0.00	Nil	11% Riverina Pastoral Lease (N049888)	Nil	No Registered Aboriginal Sites No Other Heritage Places	1. Barra Nickel Rights Agreement 2. Morgan Gold Rights Agreement	Nil	
E30/0468	not a Priority Tenement	59 BL	24/02/17	23/02/22	Carnegie Gold Pty Ltd	100% legal interest, 100% beneficial interest in all minerals except nickel	Barra Resources holds 100% interest in nickel minerals	Nil	1. St Barbara Royalty 2. Caveat 506390 lodged by Tasex Geological Services Pty Ltd	\$59,000 (for year ending 23-Feb-19). (\$23,274.00 reported for year ending 23/02/18. Exemption pending (exemption sought \$59,000).	\$12,980.00 (for year ending 23/02/21). Rent for 2019) - 20 has been paid but rent for 2018-19 (\$7,906) overdue	\$0.00	Nil	1.6% Riverina Pastoral Lease (N049888)	72% of the area is the subject of the Maduwongga native title claim (WC2017/001) 78.5% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	1. Barra Nickel Rights Agreement 2. St Barbara Royalty Agreement	1. Application for Forfeiture 512660 by NU-FORTUNE GOLD PTY LTD recorded 16/08/17 2. Plaintiff 513566 by Tasex Geological Services Pty Ltd recorded 31/08/17	

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
M16/0268	not a Priority Tenement	372.7 ha	10/08/01	9/08/22	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	1. Caveat 486351 lodged by Shire of Coolgardie 2. Caveat 537670 lodged by Shire of Coolgardie	\$37,300 (for year ending 9-Aug-19) (\$39,168.00 reported for year ending 09/08/18)	\$6,975.10 (for year ending 09/08/20)	\$1,852.04	Nil	Nil	96.4% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
M24/0376	not a Priority Tenement	319.2 ha	19/02/91	18/02/33	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Resource: 18 kt @ 6 g/t for 3.5 koz Au	1. Caveat 546050 lodged by City of Kalgoorlie-Boulder 2. Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541455 to Hawke's Point Holdings II Limited registered 24 December 2018 3. Siberia Sale Agreement Royalty	\$32,000 (for year ending 18-Feb-19) (\$34,729.00 reported for year ending 18/02/18)	\$5,984.00 (for year ending 18/02/21)	\$4,534.50	L24/210 (Evolution Mining Pty Limited); L24/211 (Evolution Mining (Phoenix) Pty Limited)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Siberia Sale Agreement	Nil
M24/0973 (conversion of P24/4395, 4396, 4400, 4401, 4402, 4403)	not a Priority Tenement	1123 ha	(10/08/17)	-	Heron Resources Limited	Application holder	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	Royalty payable to Heron on gold and silver production	-	-	-	L24/211 (Evolution Mining Pty Limited); M24/319 (Bunda Resources Pty Ltd); P24/4395 (Heron Resources Limited); P24/4396 (Heron Resources Limited); P24/4400 (Heron Resources Limited); P24/4401 (Heron Resources Limited); P24/4402 (Heron Resources Limited); P24/4403 (Heron Resources Limited)	8.02% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	1 Registered Aboriginal Site: 1492 Mt Camague No Other Heritage Places	Heron Agreement	1. Objection 514087 by EVOLUTION MINING (PHOENIX) PTY LIMITED to Tenement Application recorded 7/09/17 2. Objection 520922 by SIBERIA MINING CORPORATION PTY LTD to Tenement Application recorded 21/12/17
M30/0111	not a Priority Tenement	539.6 ha	22/02/94	21/02/36	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	1. Caveat 543556 lodged by Shire of Menzies 2. Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541421 to Hawke's Point Holdings II Limited registered 26 October 2018	\$54,000 (for year ending 21-Feb-19) (\$36,207.00 reported for year ending 21/02/18. This should meet expenditure required once expenditure reduced prorata as tenement subject to third party application for forfeiture for part of the year). (Exemption pending for 2017 year (exemption sought \$54,000))	\$10,098.00 (for year ending 21/02/21). Rent for 2019) - 20 has been paid. Rent for 2018-19 (\$9,504) overdue	\$0.00	E30/501 (Kalgoorlie Nickel Pty Ltd)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Application for Forfeiture 512650 by NU-FORTUNE GOLD PTY LTD recorded 16/08/17
M30/0123	not a Priority Tenement	1000 ha	29/09/04	28/09/25	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	1. GPG Royalty 2. WMC Royalty 3. Caveat 543557 lodged by Shire of Menzies 4. Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541422 to Hawke's Point Holdings II Limited registered 26 October 2018	\$100,000 (for year ending 28-Sep-19). (\$138,788.00 reported for year ending 28/09/18). (Exemption pending for 2017 year (exemption sought \$100,000))	\$18,700.00 (for year ending 28/09/20)	\$0.00	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	1. GPG Royalty Agreement 2. WMC Royalty Agreement	1. Application for Forfeiture 512651 by NU-FORTUNE GOLD PTY LTD recorded 16/08/17 2. Objection 518571 by NU-FORTUNE GOLD LTD to Exemption From Expenditure recorded 17/11/17
M30/0157	not a Priority Tenement	535.6352 ha	19/12/02	18/12/23	Carnegie Gold Pty Ltd	100% legal interest, 100% beneficial interest in all minerals except nickel	Barra Resources holds 100% interest in nickel minerals	Airstrip	1. AE Royalty 2. Caveat 543558 lodged by Shire of Menzies 3. Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541424 to Hawke's Point Holdings II Limited	\$53,600 (for year ending 18-Dec-19)(Expenditure not yet reported for year ending 18/12/18)	\$10,023.20 (for year ending 18/12/20)	\$0.00	Nil	10.2% Riverina Pastoral Lease (N049888)	Nil	No Registered Aboriginal Sites No Other Heritage Places	1. Barra Nickel Rights Agreement 2. AE Royalty Agreement	Nil

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
									registered 26 October 2018									
M30/0187	not a Priority Tenement	995.05 ha	2/10/02	1/10/23	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	1. AE Royalty 2. Caveat 543559 lodged by Shire of Menzies 3. Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541426 to Hawke's Point Holdings II Limited registered 24 December 2018	\$99,600 (for year ending 1-Oct-19) (\$104,794.00 reported for year ending 01/10/18)	\$18,625.20 (for year ending 01/10/20)	\$957.87	Nil	Nil	12.2% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	AE Royalty Agreement	Nil
P16/2921	not a Priority Tenement	138 ha	6/05/16	5/05/20	Goldstar Resources (WA) Pty Ltd	100% beneficial	100% legal interest with Goldstar (to be transferred to EGS)	Nil	Nil	\$5,520 (for year ending 5-May-19) (\$10,509.00 reported for year ending 05/05/18)	\$379.50 (for year ending 05/05/20)	\$0.00	E16/513 (Gold Geological Consulting Pty Ltd)	Nil	75.8% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Goldstar Agreement	Nil
P16/2922	not a Priority Tenement	137 ha	6/05/16	5/05/20	Goldstar Resources (WA) Pty Ltd	100% beneficial	100% legal interest with Goldstar (to be transferred to EGS)	Nil	Nil	\$5,480 (for year ending 5-May-19) (\$7,288.00 reported for year ending 05/05/18)	\$376.75 (for year ending 05/05/20)	\$0.00	E16/513 (Gold Geological Consulting Pty Ltd)	Nil	2.2% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Goldstar Agreement	Nil
P24/4400	not a Priority Tenement	200 ha	11/08/09	10/08/17 (Pending conversion to M24/973)	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	Royalty payable to Heron on gold and silver production	\$8,000 (for year ending 10-Aug-19) (\$9,100.00 reported for year ending 10/08/18)	\$550.00 (for year ending 10/08/20)	\$0.00	L24/211 (Evolution Mining Pty Limited); M24/973 (Heron Resources Limited)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Heron Agreement	Nil
P24/4401	not a Priority Tenement	190 ha	11/08/09	10/08/17 (Pending conversion to M24/973)	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	Royalty payable to Heron on gold and silver production	\$7,600 (for year ending 10-Aug-19) (\$8,971.00 reported for year ending 10/08/18)	\$522.50 (for year ending 10/08/20)	\$0.00	L24/211 (Evolution Mining Pty Limited); M24/973 (Heron Resources Limited)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Heron Agreement	Nil
P24/4402	not a Priority Tenement	172 ha	11/08/09	10/08/17 (Pending conversion to M24/973)	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	Royalty payable to Heron on gold and silver production	\$6,880 (for year ending 10-Aug-19) (\$8,737.00 reported for year ending 10/08/18)	\$473.00 (for year ending 10/08/20)	\$0.00	L24/211 (Evolution Mining Pty Limited); M24/973 (Heron Resources Limited)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Heron Agreement	Nil
P24/4403	not a Priority Tenement	192 ha	11/08/09	10/08/17 (Pending conversion to M24/973)	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	Royalty payable to Heron on gold and silver production	\$7,680 (for year ending 10-Aug-19) (\$8,996.00 reported for year ending 10/08/18)	\$528.00 (for year ending 10/08/20)	\$0.00	M24/973 Heron Resources Limited)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Heron Agreement	Nil

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
E16/0473	not a Priority Tenement	13 BL	5/10/15	4/10/20	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541403 to Hawke's Point Holdings II Limited registered 24 December 2018	\$30,000 (for year ending 4-Oct-19) (\$20,856.00 reported for year ending 04/10/18)	\$2,860.00 (for year ending 04/10/20)	\$0.00	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
E16/0487	not a Priority Tenement	11 BL	8/11/16	7/11/21	Goldstar Resources (WA) Pty Ltd	100% beneficial	100% legal interest with Goldstar (to be transferred to EGS)	Nil	Nil	\$20,000 (for year ending 7-Nov-19) (\$24,174.00 reported for year ending 07/11/18)	\$2,420.00 (for year ending 07/11/20)	\$0.00	Nil	Nil	24.4% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Goldstar Agreement	Nil
E30/0338	not a Priority Tenement	10 BL	20/05/08	19/05/20; (4 Pending amalgamations: 1. Amalgamation 519438 Lodged 1 December 2017. Amalgamation whole of P30/1107 2. Amalgamation 519439 Lodged 1 December 2017. Amalgamation whole of P30/1108 3. Amalgamation 519440 Lodged 1 December 2017. Amalgamation whole of P30/1109 4. Amalgamation 519468 Lodged 1 December 2017. Amalgamation whole of P30/1110 )	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541408 to Hawke's Point Holdings II Limited registered 26 October 2018	\$120,000 (for year ending 19-May-19)(\$56,829.00 reported for year ending 19/05/18. Exemption may be required as while expenditure reduced pro-rata for each whole month tenement subject to third party application for forfeiture, expenditure may still be less than required depending on how DMIRS calculates reduction). (Exemption pending for 2017 year (exemption sought \$120,000)	\$22,680.00 (for year ending 19/05/20)	\$0.00	L30/60 (Roxbury Trading Pty Ltd)	Nil	95.2% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Application for Forfeiture 512648 by NU-FORTUNE GOLD PTY LTD recorded 16/08/17
E30/0490	not a Priority Tenement	5 BL	4/07/17	3/07/22	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$15,000 (for year ending 3-Jul-19) (\$15,604.00 reported for year ending 03/07/18)	\$680.00 (for year ending 03/07/20)	\$0.00	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
E30/0491	not a Priority Tenement	44 BL	31/08/17	30/08/22 (3 Pending amalgamations: 1. Amalgamation 541353 Lodged 26 October 2018. Amalgamation whole of former M30/182 2. Amalgamation 541347 Lodged 25 October 2018. Amalgamation whole of former M30/127 3. Amalgamation 541348 Lodged 25 October 2018. Amalgamation whole of former M30/133 )	Mineral & Gold Resources of Australia Pty Ltd	100% interest in all minerals except nickel	1. Mineral and Gold Resources holds 100% legal interest (to be transferred to EGS entity) 2. Barra Resources holds 100% interest in nickel minerals	Nil	Nil	\$44,000 (for year ending 30-Aug-19) (\$46,651.00 reported for year ending 30/08/18)	\$5,984.00 (for year ending 30/08/20)	\$0.00	Nil	52.9% Riverina Pastoral Lease (N049888)	0.1% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites Other Heritage Places	Barra Nickel Rights Agreement	Nil
L24/0188 (road)	not a Priority Tenement	47.76 ha	4/11/04	3/11/25	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	~ 16 km Haul road from M24/848 (Black Rabbit) to M24/039; Passes Theil Well and crosses competitors ground; road exists	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541445 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$792.00 (for year ending 03/11/20)	\$0.00	L24/210 (Evolution Mining (Phoenix) Pty Limited); L24/211 (Evolution Mining (Phoenix) Pty Limited); M24/39 (Gardner Robert Charles); M24/686 (Heron Resources Limited); M24/973 (Heron Resources Limited); P24/4403 (Heron Resources Limited); P24/4814 (Northern Star Resources Ltd); P24/4815 (Northern Star Resources Ltd); P24/4964 (Northern Star Resources Ltd); P24/4965 (Northern Star Resources Ltd); P24/4981 (Jamison Joel Colin & Spicer Raymond John); P24/5062 (Styles Brian Royce); P24/5296 (Northern Star Resources Ltd)	22.7% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites Other Heritage Places	Nil	Nil
M24/0115	not a Priority Tenement	187.35 ha	11/06/87	10/06/29	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	1. Caveat 546049 lodged by City of Kalgoorlie-Boulder 2. Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541452 to Hawke's Point Holdings II Limited registered 24 December 2018 3. Siberia Sale Agreement Royalty	\$18,800 (for year ending 10-Jun-19) (\$20,086.00 reported for year ending 10/06/18)	\$3,515.60 (for year ending 10/06/20)	\$0.00	Nil	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites Other Heritage Places	Siberia Sale Agreement	Nil

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
M24/0159	not a Priority Tenement	399.5 ha	9/02/88	8/02/30	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	1. Caveat 546051 lodged by City of Kalgoorlie-Boulder 2. Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541453 to Hawke's Point Holdings II Limited registered 24 December 2018 3. Siberia Sale Agreement Royalty	\$40,000 (for year ending 8-Feb-20) 2019 expenditure has not yet been lodged(\$45,396.00 reported for year ending 08/02/18)	\$7,480.00 (for year ending 08/02/21)	\$0.00	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Siberia Sale Agreement	Nil
M24/0660	not a Priority Tenement	174 ha	14/06/07	13/06/28	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	1. Royalty payable to Heron on gold and silver production 2. Caveat KA6/056 lodged by Alan Ernest Gallop 3. Caveat KA8/956 lodged by Lewis Lajos Kovacs 4. Caveat 546055 lodged by City of Kalgoorlie-Boulder	\$17,400 (for year ending 13-Jun-19) (\$21,041.00 reported for year ending 13/06/18)	\$3,253.80 (for year ending 13/06/20)	\$0.00	Nil	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Heron Agreement	Nil
M24/0663	not a Priority Tenement	306 ha	28/01/11	27/01/32	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	1. Royalty payable to Heron on gold and silver production 2. Caveat 546056 lodged by City of Kalgoorlie-Boulder	\$30,600 (for year ending 27-Jan-20) 2019 expenditure has not yet been lodged(\$33,320.00 reported for year ending 27/01/18)	\$5,722.20 (for year ending 27/01/21)	\$0.00	Nil	17.5% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites 1 Other Heritage Place: Siberia artefact scatter (18698)	Heron Agreement	Nil
M24/0757	not a Priority Tenement	591 ha	5/07/11	4/07/32	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	1. Royalty payable to Heron on gold and silver production 2. Caveat 546063 lodged by City of Kalgoorlie-Boulder	\$59,100 (for year ending 4-Jul-19) (\$61,110.00 reported for year ending 04/07/18)	\$11,051.70 (for year ending 04/07/20)	\$0.00	Nil	96.8% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	1 Registered Site: Mt Carnage (1492) No Other Heritage Places	Heron Agreement	Nil
M24/0916	not a Priority Tenement	277.0803 ha	1/02/11	31/01/32	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	1. Royalty payable to Heron on gold and silver production 2. Caveat 546062 Absolute Caveat by City of Kalgoorlie-Boulder	\$27,800 (for year ending 31-Jan-20) 2019 expenditure has not yet been lodged(\$31,797.00 reported for year ending 31/01/18)	\$5,198.60 (for year ending 31/01/21)	\$0.00	L29/134 (Kalgoorlie Nickel Pty Ltd)	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Heron Agreement	Nil
M30/0126	not a Priority Tenement	325.77 ha	13/10/09	12/10/30	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541423 to Hawke's Point Holdings II Limited registered 26 October 2018	\$32,600 (for year ending 12-Oct-19) (\$34,152.00 reported for year ending 12/10/18)	\$6,096.20 (for year ending 12/10/20)	\$0.00	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
P24/4395	not a Priority Tenement	192 ha	11/08/09	10/08/17 (Pending conversion to M24/973)	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	Royalty payable to Heron on gold and silver production	\$7,680 (for year ending 10-Aug-19) (\$8,996.00 reported for year ending 10/08/18)	\$528.00 (for year ending 10/08/20)	\$0.00	M24/973 (Heron Resources Limited)	40.6% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	1 Registered Site: Mt Carnage (1492) No Other Heritage Places	Heron Agreement	Nil
P24/4396	not a Priority Tenement	164 ha	11/08/09	10/08/17 (Pending conversion to M24/973)	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	Royalty payable to Heron on gold and silver production	\$6,560 (for year ending 10-Aug-19) (\$8,633.00 reported for year ending 10/08/20)	\$451.00 (for year ending 10/08/20)	\$0.00	M24/973 (Heron Resources Limited)	7% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001)	1 Registered Site: Mt Carnage (1492) No Other Heritage Places	Heron Agreement	Nil

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings		
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual ex-GST	Rent	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
				M24/973 )		minerals	Siberia), 100% beneficial interest in all minerals other than gold and silver			10/08/18)						100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)			
P24/5073	not a Priority Tenement	199 ha	3/10/16	2/10/20	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541460 to Hawke's Point Holdings II Limited registered 24 December 2018	\$7,960 (for year ending 2-Oct-19) (\$8,448.00 reported for year ending 02/10/18)	\$547.25 (for year ending 02/10/20)	\$0.00	Nil	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Nil	Nil	
P29/2405	not a Priority Tenement	199 ha	20/04/17	19/04/21	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$7,960 (for year ending 19-Apr-19) (\$8,678.26 reported for year ending 19/04/18)	\$547.25 (for year ending 19/04/20)	\$0.00	Nil	100% Riverina Pastoral Lease (N049888)	Nil	No Registered Sites No Other Heritage Places	Nil	Nil	
P29/2406	not a Priority Tenement	159 ha	20/04/17	19/04/21	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$6,360 (for year ending 19-Apr-19) (\$8,141.71 reported for year ending 19/04/18)	\$437.25 (for year ending 19/04/20)	\$0.00	Nil	100% Riverina Pastoral Lease (N049888)	Nil	No Registered Sites No Other Heritage Places	Nil	Nil	
P29/2407	not a Priority Tenement	167 ha	20/04/17	19/04/21	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$6,680 (for year ending 19-Apr-19) (\$8,177.02 reported for year ending 19/04/18)	\$459.25 (for year ending 19/04/20)	\$0.00	Nil	100% Riverina Pastoral Lease (N049888)	Nil	No Registered Sites No Other Heritage Places	Nil	Nil	
E16/0486	not a Priority Tenement	10 BL	8/11/16	7/11/21	Goldstar Resources (WA) Pty Ltd	100% beneficial	100% legal interest with Goldstar (to be transferred to EGS)	Nil	Nil	\$20,000 (for year ending 7-Nov-19) (\$22,099.00 reported for year ending 07/11/18)	\$2,200.00 (for year ending 07/11/20)	\$0.00	E16/516 (Origin Companies Pty Ltd)	Nil	100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Goldstar Agreement	Nil	
E16/0337	not a Priority Tenement	4 BL (pending voluntary partial surrender of 2 BL lodged 27/03/19)	9/04/08	8/04/20	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541402 to Hawke's Point Holdings II Limited registered 24 December 2018	\$50,000 (for year ending 8-Apr-19) (\$53,144.00 reported for year ending 08/04/18)	\$2,268.00 (for year ending 08/04/20)	\$0.00	Nil	Nil	100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Nil	Nil	
E16/0474	not a Priority Tenement	11 BL	27/01/17	26/01/22	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Caveat 537822 lodged by Shire of Coolgardie	\$20,000 (for year ending 26-Jan-20). 2019 expenditure has not yet been lodged(\$22,867.00 reported for year ending 26/01/18)	\$2,420.00 (for year ending 26/01/21)	\$0.00	L16/35 (Hayes Mining Pty Ltd)	Nil	97.5% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Nil	Nil	
E16/0480	not a Priority Tenement	18 BL	2/05/16	1/05/21	Goldstar Resources (WA) Pty Ltd	100% beneficial	100% legal interest with Goldstar (to be transferred to EGS)	Nil	Nil	\$20,000 (for year ending 1-May-19) (\$22,125.00 reported for year ending 01/05/18)	\$3,960.00 (for year ending 01/05/20)	\$0.00	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Goldstar Agreement	Nil	
E16/0482	not a Priority Tenement	37 BL	7/11/16	6/11/21	Goldstar Resources (WA) Pty Ltd	100% beneficial	100% legal interest with Goldstar (to be transferred to EGS)	Nil	Nil	\$37,000 (for year ending 6-Nov-19) (\$39,838.00 reported for year ending 06/11/18)	\$8,140.00 (for year ending 06/11/20)	\$0.00	Nil	5.8% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu	No Registered Sites 2 Other Heritage Places: Maduwongga Country (Madu) - Kuta and Nganga (30421) and	Goldstar Agreement	Nil	

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
															Ghoorlie native title claim (WC2017/007)	Credo Station (30603)		
E16/0483	not a Priority Tenement	13 BL	8/11/16	7/11/21	Goldstar Resources (WA) Pty Ltd	100% beneficial	100% legal interest with Goldstar (to be transferred to EGS)	Nil	Nil	\$20,000 (for year ending 7-Nov-19) (\$21,677.00 reported for year ending 07/11/18)	\$2,860.00 (for year ending 07/11/20)	\$0.00	Nil	69.4% Mt Burges Pastoral Lease (N050354)	41.9% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Goldstar Agreement	Nil
E16/0484	not a Priority Tenement	9 BL	26/08/16	25/08/21	Goldstar Resources (WA) Pty Ltd	100% beneficial	100% legal interest with Goldstar (to be transferred to EGS)	Nil	Nil	\$20,000 (for year ending 25-Aug-19) (\$22,151.00 reported for year ending 25/08/18)	\$1,980.00 (for year ending 25/08/20)	\$0.00	Nil	100% Mt Burges Pastoral Lease (N050354)	4.6% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Goldstar Agreement	Forfeiture 542810 initiated for non-compliance with reporting requirements (Form 5) recorded 23/11/18
E24/0203	not a Priority Tenement	3 BL	8/08/17	7/08/22	Atriplex Pty Limited	100% beneficial interest in gold and silver minerals	Atriplex: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	Royalty payable to Heron on gold and silver production	\$15,000 (for year ending 7-Aug-19) (\$16,357.00 reported for year ending 07/08/18)	\$408.00 (for year ending 07/08/20)	\$0.00	L29/134 (Kalgoorlie Nickel Pty Ltd)	31.2% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Heron Agreement	Nil
E29/0889	not a Priority Tenement	1 BL	25/02/14	24/02/2019 (Extension of term pending lodged 21 February 2019)	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	Royalty payable to Heron on gold and silver production	\$10,000 (for year ending 24-Feb-19) (\$11,761.00 reported for year ending 24/02/18)	\$341.00 (for year ending 24/01/21)	\$0.00	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Heron Agreement	Nil
E29/0895	not a Priority Tenement	2 BL	7/04/14	6/04/19 (1 Pending amalgamation: Amalgamation 531270 Lodged 28 May 2018. Amalgamating whole of former P29/2323)	Mt Ida Gold Pty Ltd	100% legal interest, 100% beneficial interest in all minerals except iron ore	Third party holds beneficial interest in iron ore	Nil	Mortgage 501756 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541397 to Hawke's Point Holdings II Limited registered 26 October 2018	\$20,000 (for year ending 6-Apr-19) (\$21,307.00 reported for year ending 06/04/18)	\$600.00 (for year ending 06/04/20)	\$0.00	Nil	10.3% Riverina Pastoral Lease (N049888)	Nil	No Registered Sites No Other Heritage Places	Mt Ida Rights Agreement	Nil
E29/0955	not a Priority Tenement	5 BL	13/01/16	12/01/21	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541432 to Hawke's Point Holdings II Limited registered 24 December 2018	\$20,000 (for year ending 12-Jan-20). 2019 expenditure has not yet been lodged (\$32,357.00 reported for year ending 12/01/18)	\$1,100.00 (for year ending 12/01/21)	\$0.00	Nil	54.4% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Sites No Other Heritage Places	Nil	Nil
E29/0964	not a Priority Tenement	5 BL	5/05/16	4/05/21	Goldstar Resources (WA) Pty Ltd	100% beneficial	100% legal interest with Goldstar (to be transferred to EGS) (Verified)	Nil	Nil	\$15,000 (for year ending 4-May-19) (\$16,198.00 reported for year ending 04/05/18)	\$1,100.00 (for year ending 04/05/20)	\$0.00	Nil	84% Riverina Pastoral Lease (N049888)	Nil	No Registered Sites No Other Heritage Places	Goldstar Agreement	Nil

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
L15/0224 (road)	not a Priority Tenement	163 ha	10/01/00	9/01/21	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	~ 39 km Haul Road Lizard-Coolgardie road exists; Links to L16/062	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541433 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$2,689.50 (for year ending 09/01/21)	\$0.00	E15/1061 (Lysander Resources Pty Ltd); E15/1232 (Strindberg Maxwell Peter); E15/1582 (Beacon Mining Pty Ltd); E15/1632 (Outback Minerals Pty Ltd); E15/1674 (Abeh Pty Ltd); E16/469 (Argus Stephen George & Zephyr Mining Pty Ltd); M15/125 (MLG Oz Pty Ltd); M15/365 (Focus Minerals Ltd & Focus Operations Pty Ltd); M15/857 (Focus Minerals Ltd & Focus Operations Pty Ltd); M15/1384 (Focus Minerals Ltd & Focus Operations Pty Ltd); M15/1466 (MLG Oz Pty Ltd); M15/1760 (Focus Minerals Ltd & Focus Operations Pty Ltd); M15/1795 (Sheriffmuir Holdings Pty Ltd); M16/34 (Beacon Mining Pty Ltd); M16/113 (JH Mining Pty Ltd & Toro Mining Pty Ltd); M16/115 (Beacon Mining Pty Ltd); M16/193 (Toro Mining Pty Ltd); M16/203 (JH Mining Pty Ltd & Toro Mining Pty Ltd); M16/255 (JH Mining Pty Ltd & Toro Mining Pty Ltd); M16/462 (Toro Mining Pty Ltd); M16/486 (Kent Ryan Wayne); M16/529 (Beacon Mining Pty Ltd); M16/560 (Boulder Investments Group Pty Ltd); M16/570 (Corinthian Mining Pty Ltd); P15/6186 (Cairney Cameron Neal & Cairney Richard Joseph); P15/6318 (Brosnan Allan Neville); P15/6319 (Brosnan Allan Neville); P16/2627 (Corinthian Mining Pty Ltd); P16/2925 (Australian Live-stock Suppliers Pty Ltd); P16/2926 (Australian Live-stock Suppliers Pty Ltd); P16/3011 (Boulder Investments Group Pty Ltd); P16/3029 (Boulder Investments Group Pty Ltd & Simmonds Paul John)	83.3% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	2 Registered Sites: Jilpayn Rockholes (899) and Mingari (1487) 3 Other Heritage Places: Mingarawee Rockhole (24286); Look Out Site (32755); Jilpayn Sand Plain (32757)	Nil	Nil
L16/0058 (road)	not a Priority Tenement	114.8 ha	13/12/99	12/12/20	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	~29 km Haul Road Lizard-Orabanda road exists; Links to L15/224	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541439 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$1,897.50 (for year ending 12/12/20)	\$3,915.90	E16/365 (Sandhu Tanvanth Singh); E16/415 (Sandhu Tanvanth Singh); E16/449 (Sandhu Tanvanth Singh); E16/483 (Goldstar Resources (WA) Pty Ltd); E16/515 (Origin Companies Pty Ltd); L16/95 (Evolution Mining (Phoenix) Pty Limited); M16/171 (Barra Resources Limited); M16/430 (Milne Peter Ronald George); M16/524 (Sandhu Tanvanth Singh); P16/2971 (Lennard Nadine Ann); P16/2972 (Lennard Nadine Ann); P16/2978 (Radsich Dennis & Radsich Myat Kay Khaing); P16/2985 (Barra Resources Limited); P16/2986 (Barra Resources Limited); P16/3019 (Evolution Mining (Mungari) Pty Limited); P16/3020 (Evolution Mining (Mungari) Pty Limited); P16/3047 (Whitaker William Barrie);	57.1% Mt Burges Pastoral Lease (N050354); 1.3% Black Flag Pastoral Lease (N049574)	80.2% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	1 Registered Site: Pakurl (1373) 1 Other Heritage Place: Ngarparla Rockhole (32760)	Nil	Nil

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings		
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual ex-GST	Rent	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
														P16/3057 (Coen Andrew Roy & Vuleta Adrian); P16/3084 (Barra Resources Limited & Hayes Mining Pty Ltd); P16/3088 (Barra Resources Limited); P16/3141 (Pelm Resources Pty Ltd); P16/3151 (Pelm Resources Pty Ltd); P16/3191 (Pelm Resources Pty Ltd); P16/3192 (Pelm Resources Pty Ltd)					
L16/0062 (haul road)	not a Priority Tenement	42.8 ha	13/12/99	12/12/20	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	~ 11 km Haul Road Lizard-Coolgardie Road exists; Links L15/224 and L16/58	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541440 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$709.50 (for year ending 12/12/20)		\$3,872.79	E16/365 (Sandhu Tanvanth Singh); E16/415 (Sandhu Tanvanth Singh); M16/18 (Kent Robert Wayne); M16/301 (Corinthian Mining Pty Ltd); M16/486 (Kent Robert Wayne); M16/524 (Sandhu Tanvanth Singh); P16/2738 (McMartin Rosanne Patricia); P16/2808 (Kent Robert Wayne); P16/2825 (Paul Len Scott Edward & Sinclair Glen Allen); P16/2969 (Klarior Resources Pty Ltd); P16/2984 (Kolotowicz Nathan James); P16/3071 (Coen Andrew Roy & Vuleta Adrian)	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	2 Other Heritage Places: Lady Ida (16598) and Ngarparla Rockhole (32760)	Nil	Nil
L16/0072 (road)	not a Priority Tenement	7.14 ha	13/06/02	12/06/23	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	~ 3.75 km haul road Two Gums Dam to Coolgardie Rd (E16/344 to E16/268, crossing E16/487 & E16/474) road exists	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541410 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$132.00 (for year ending 12/06/20)	\$0.00		E16/487 (Goldstar Resources (WA) Pty Ltd)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
L16/0073 (road)	not a Priority Tenement	6.6 ha	13/06/02	12/06/23	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	2.6 km Haul road Coolgardie Rd to M30/255 (Salmon Gums); no improvements visible	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541411 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$115.50 (for year ending 12/06/20)	\$0.00		Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
L16/0103 (road)	not a Priority Tenement	14.9809 ha	6/07/16	5/07/37	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	~ 1.7 Haul road linking Iguana to Lizard (M16/262 M16/263) Mostly on open ground, road exists	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541444 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$247.50 (for year ending 05/07/20)	\$0.00		E15/1655 (Black Mountain Gold Limited)	Nil	100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
L24/0085 (pipeline, access track and taking water)	not a Priority Tenement	12 ha	27/10/87	26/10/22	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	~4 km Pipeline easement with bore at N end Runs N from N end of Bewick-Moreing Pit on E side of existing track; No infrastructure visible on airphoto	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541441 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$198.00 (for year ending 26/10/20)	\$0.00		E24/203 (Atriplex Pty Limited); L29/134 (Kalgoorlie Nickel Pty Ltd); M24/797 (Heron Resources Limited); M24/915 (Heron Resources Limited); M24/916 (Heron Resources Limited)	67.3% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
L29/0074 (road, pipeline, power line and airfield)	not a Priority Tenement	89.1v8 ha	4/09/08	3/09/29	Mt Ida Gold Pty Ltd	100% legal interest, 100% beneficial interest in all minerals exception iron ore	Third party holds beneficial interest in iron ore	Bottle Creek airstrip and ~ 8.5 km connector road to Lake Ballard Rd	Mortgage 501756 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541398 to Hawke's Point Holdings II Limited registered 26 October 2018	Nil	\$1,485.00 (for year ending 03/09/20)	\$0.00		E29/921 (Maincoast Pty Ltd & MGK Resources Pty Ltd); E29/1007 (MGK Resources Pty Ltd); E29/1014 (Maincoast Pty Ltd & MGK Resources Pty Ltd); L29/80 (aurum gold Pty Ltd); M29/150 (Lehmann Rodney Scott); M29/151 (Lehmann Rodney Scott)	70.9% Riverina Pastoral Lease (N049888); 20.9% Perrinvale Pastoral Lease (N050261); 8.1% Riverina Pastoral Lease (N049874)	Nil	No Registered Aboriginal Sites No Other Heritage Places	Mt Ida Rights Agreement	Nil
M24/0208	not a Priority Tenement	416.65 ha	18/05/88	17/05/30	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	1. Siberia Sale Agreement Royalty 2. Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage	\$41,700 (for year ending 17-May-19). (\$13,390.00 reported for year ending 17/05/18. \$0	\$7,797.90 (for year ending 17/05/20). Rent for 2015-16 (\$6,713.7).	\$0.00		Nil	13.3% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the	No Registered Aboriginal Sites No Other Heritage Places	Siberia Sale Agreement	1. Application for Forfeiture 469423 by PHOTIOS, Michael JOHN recorded 16/06/15

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings		
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual ex-GST	Rent	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
									transfer 541454 to Hawke's Point Holdings II Limited registered 24 December 2018	expenditure required as tenement subject to third party application for forfeiture for the entirety of the year). (Exemption pending for 2015 year (exemption sought \$41,700))	2016-17 (\$6,880.5) and 2018-19 (\$7,339.20) overdue					subject of the Marlinyu Ghoorlie native title claim (WC2017/007)			2. Objection 477363 by PHOTIOS, Michael John to Exemption From Expenditure recorded 13/11/15
M24/0634	not a Priority Tenement	185.15 ha	25/10/00	24/10/21	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	1. Royalty payable to Heron on gold and silver production 2. Caveat 546054 lodged by City of Kalgoorlie-Boulder	\$18,600 (for year ending 24-Oct-19) (\$18,745.00 reported for year ending 24/10/18)	\$3,478.20 (for year ending 24/10/20)	\$0.00	E24/211 (Kalgoorlie Nickel Pty Ltd); L29/134 (Kalgoorlie Nickel Pty Ltd)	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Heron Agreement	Nil	
M24/0664	not a Priority Tenement	143 ha	28/01/11	27/01/32	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	1. Royalty payable to Heron on gold and silver production 2. Caveat 546057 lodged by City of Kalgoorlie-Boulder	\$14,300 (for year ending 27-Jan-20) 2019 expenditure has not yet been lodged(\$16,565.00 reported for year ending 27/01/18)	\$2,674.10 (for year ending 27/01/21)	\$0.00	Nil	49% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Heron Agreement	Nil	
M24/0665	not a Priority Tenement	825 ha	15/04/11	14/04/32	1. Heron Resources Limited (90%) 2. Impress Energy Pty Ltd (10%)	90% beneficial interest in gold and silver minerals	1. Heron: 90% legal interest (to be transferred to Siberia), 90% beneficial interest in all minerals other than gold and silver 2. Impress: 10% legal and beneficial interest	Nil	Royalty payable to Heron on gold and silver production	\$82,500 (for year ending 14-Apr-19) (\$42,149.00 reported for year ending 14/04/18. Exemption sought (\$82,500). Exemption granted.)	\$15,427.50 (for year ending 14/04/20)	\$0.00	Nil	0.3% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Heron Agreement	Nil	
M24/0683	not a Priority Tenement	56 ha	1/02/11	31/01/32	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	1. Royalty payable to Heron on gold and silver production 2. Contingent payment payable to Westex 3. Caveat 546058 lodged by City of Kalgoorlie-Boulder	\$10,000 (for year ending 31-Jan-20) 2019 expenditure has not yet been lodged(\$11,370.00 reported for year ending 31/01/18)	\$1,047.20 (for year ending 31/01/21)	\$0.00	Nil	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Heron Agreement	Nil	
M24/0686	not a Priority Tenement	35.6121 ha	3/02/11	2/02/32	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	Royalty payable to Heron on gold and silver production	\$10,000 (for year ending 2-Feb-20) 2019 expenditure has not yet been lodged(\$11,898.00 reported for year ending 02/02/18)	\$673.20 (for year ending 02/02/21)	\$0.00	Nil	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Heron Agreement	Nil	
M24/0772	not a Priority Tenement	55.683 ha	1/02/11	31/01/32	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	1. Royalty payable to Heron on gold and silver production 2. Contingent payment payable to Westex 3. Caveat 546059 lodged by City of Kalgoorlie-Boulder	\$10,000 (for year ending 31-Jan-20) 2019 expenditure has not yet been lodged(\$12,120.00 reported for year ending 31/01/18)	\$1,047.20 (for year ending 31/01/21)	\$0.00	L29/134 (Kalgoorlie Nickel Pty Ltd)	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Heron Agreement	Nil	

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
M24/0797	not a Priority Tenement	396.2659 ha	1/02/11	31/01/32	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	1. Royalty payable to Heron on gold and silver production 2. Caveat 546060 lodged by City of Kalgoorlie-Boulder	\$39,700 (for year ending 31-Jan-20) 2019 expenditure has not yet been lodged(\$43,869.00 reported for year ending 31/01/18)	\$7,423.90 (for year ending 31/01/21)	\$0.00	L29/134 (Kalgoorlie Nickel Pty Ltd)	79.4% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Heron Agreement	Nil
M24/0915	not a Priority Tenement	70 ha	1/02/11	31/01/32	Heron Resources Limited	100% beneficial interest in gold and silver minerals	Heron: 100% legal interest (to be transferred to Siberia), 100% beneficial interest in all minerals other than gold and silver	Nil	1. Royalty payable to Heron on gold and silver production 2. Caveat 546061 lodged by City of Kalgoorlie-Boulder	\$10,000 (for year ending 31-Jan-20) 2019 expenditure has not yet been lodged(\$12,851.00 reported for year ending 31/01/18)	\$1,309.00 (for year ending 31/01/21)	\$0.00	E29/1039 (Kalgoorlie Nickel Pty Ltd); L29/134 (Kalgoorlie Nickel Pty Ltd)	3.6% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Heron Agreement	Nil
P16/2888	not a Priority Tenement	131.6497 ha	4/06/15	3/06/19	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$5,280 (for year ending 3-Jun-19) (\$6,334.72 reported for year ending 03/06/18)	\$363.00 (for year ending 03/06/20)	\$0.00	Nil	Nil	100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
P16/2889	not a Priority Tenement	108.8037 ha	5/06/15	4/06/19	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$4,360 (for year ending 4-Jun-19) (\$4,672.40 reported for year ending 04/06/18)	\$299.75 (for year ending 04/06/20)	\$0.00	Nil	Nil	100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
P24/4750	not a Priority Tenement	109.7086 ha	20/01/14	19/01/22	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541457 to Hawke's Point Holdings II Limited registered 24 December 2018	\$4,400 (for year ending 19-Jan-20) 2019 expenditure has not yet been lodged(\$5,189.00 reported for year ending 19/01/18)	\$302.50 (for year ending 19/01/21)	\$0.00	Nil	23.5% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
P24/4751	not a Priority Tenement	92.265 ha	20/01/14	19/01/22	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541458 to Hawke's Point Holdings II Limited registered 24 December 2018	\$3,720 (for year ending 19-Jan-20) 2019 expenditure has not yet been lodged(\$4,682.00 reported for year ending 19/01/18)	\$255.75 (for year ending 19/01/21)	\$0.00	Nil	94.6% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
P24/4754	not a Priority Tenement	177 ha	11/02/14	10/02/22	Siberia Mining Corporation Pty Ltd	100% legal interest, 100% beneficial interest in all minerals except alluvial gold	Schrers & Mitchell hold interest in alluvial gold	Nil	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541459 to Hawke's Point Holdings II Limited registered 24 December 2018	\$7,080 (for year ending 10-Feb-20) 2019 expenditure has not yet been lodged(\$9,407.00 reported for year ending 10/02/18)	\$486.75 (for year ending 10/02/21)	\$0.00	Nil	37% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Alluvial Gold Rights Offer Letter	Nil
P24/5074	not a Priority Tenement	180 ha	3/10/16	2/10/20	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541428 to Hawke's Point Holdings II Limited registered 24 December 2018	\$7,200 (for year ending 2-Oct-19) (\$7,552.00 reported for year ending 02/10/18)	\$495.00 (for year ending 02/10/20)	\$0.00	Nil	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
P24/5075	not a Priority Tenement	200 ha	3/10/16	2/10/20	Siberia Mining Corporation Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501758 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541429 to Hawke's Point Holdings II Limited	\$8,000 (for year ending 2-Oct-19) (\$8,447.00 reported for year ending 02/10/18)	\$550.00 (for year ending 02/10/20)	\$0.00	Nil	100% Mt Burges Pastoral Lease (N050354)	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings	
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
									registered 24 December 2018						subject of the Marlinyu Ghoorlie native title claim (WC2017/007)			
P29/2328	not a Priority Tenement	20.8011 ha	1/11/13	31/10/21	Mt Ida Gold Pty Ltd	100% legal interest, 100% beneficial interest in all minerals except iron ore	Third party holds beneficial interest in iron ore	Nil	Mortgage 501756 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541394 to Hawke's Point Holdings II Limited registered 26 October 2018	\$2,000 (for year ending 31-Oct-19) (\$2,367.00 reported for year ending 31/10/18)	\$57.75 (for year ending 31/10/20)	\$0.00	Nil	100% Riverina Pastoral Lease (N049888)	Nil	No Registered Sites No Other Heritage Places	Mt Ida Rights Agreement	Nil
P29/2397	not a Priority Tenement	177 ha	20/04/17	19/04/21	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Nil	Nil	Nil	\$7,080 (for year ending 19-Apr-19) (\$8,402.03 reported for year ending 19/04/18)	\$486.75 (for year ending 19/04/20)	\$0.00	E29/969 (Gazard Investments Pty Ltd)	36.7% Riverina Pastoral Lease (N049888)	Nil	No Registered Sites No Other Heritage Places	Nil	Nil
P29/2398	not a Priority Tenement	198 ha	20/04/17	19/04/21	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$7,920 (for year ending 19-Apr-19) (\$8,457.92 reported for year ending 19/04/18)	\$544.50 (for year ending 19/04/20)	\$0.00	Nil	100% Riverina Pastoral Lease (N049888)	Nil	No Registered Sites No Other Heritage Places	Nil	Nil
P29/2399	not a Priority Tenement	195 ha	20/04/17	19/04/21	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$7,800 (for year ending 19-Apr-19) (\$8,921.00 reported for year ending 19/04/18)	\$536.25 (for year ending 19/04/20)	\$0.00	Nil	100% Riverina Pastoral Lease (N049888)	Nil	1 Registered Site: Lake Ballard and Lake Marmion Mythological Site (37114) No Other Heritage Places	Nil	Nil
P29/2400	not a Priority Tenement	196 ha	20/04/17	19/04/21	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$7,840 (for year ending 19-Apr-19) (\$8,933.10 reported for year ending 19/04/18)	\$539.00 (for year ending 19/04/20)	\$0.00	Nil	100% Riverina Pastoral Lease (N049888)	Nil	1 Registered Site: Lake Ballard and Lake Marmion Mythological Site (37114) No Other Heritage Places	Nil	Nil
P29/2401	not a Priority Tenement	187 ha	20/04/17	19/04/21	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$7,480 (for year ending 19-Apr-19) (\$8,265.30 reported for year ending 19/04/18)	\$514.25 (for year ending 19/04/20)	\$0.00	Nil	100% Riverina Pastoral Lease (N049888)	Nil	1 Registered Site: Lake Ballard and Lake Marmion Mythological Site (37114) No Other Heritage Places	Nil	Nil
P29/2402	not a Priority Tenement	118 ha	20/04/17	19/04/21	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$4,720 (for year ending 19-Apr-19) (\$7,750.80 reported for year ending 19/04/18)	\$324.50 (for year ending 19/04/20)	\$0.00	L29/81 (Jupiter Mines Limited)	1.8% Riverina Pastoral Lease (N049888)	Nil	No Registered Sites No Other Heritage Places	Nil	Nil
P29/2403	not a Priority Tenement	186 ha	20/04/17	19/04/21	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$7,440 (for year ending 19-Apr-19) (\$8,260.96 reported for year ending 19/04/18)	\$511.50 (for year ending 19/04/20)	\$0.00	Nil	79% Riverina Pastoral Lease (N049888)	Nil	1 Registered Site: Lake Ballard and Lake Marmion Mythological Site (37114) No Other Heritage Places	Nil	Nil
P29/2404	not a Priority Tenement	166 ha	20/04/17	19/04/21	Mineral & Gold Resources of Australia Pty Ltd	100% beneficial interest	Mineral and Gold Resources: 100% legal interest (to be transferred to EGS entity)	Nil	Nil	\$6,640 (for year ending 19-Apr-19) (\$7,932.68 reported for year ending 19/04/18)	\$456.50 (for year ending 19/04/20)	\$0.00	Nil	100% Riverina Pastoral Lease (N049888)	Nil	1 Registered Site: Lake Ballard and Lake Marmion Mythological Site (37114) No Other Heritage Places	Nil	Nil

Key details									Encumbrances and expenditure		Financial		Concurrent interests		Native title and Aboriginal heritage		Agreements and proceedings		
Tenement /Application	Priority	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	EGS Interest	Third party interest	Published reserve/resource and infrastructure	Encumbrances including royalties and mortgages	Minimum expenditure	Annual ex-GST	Rent	MRF levy	Mining tenements/applications	Pastoral Leases	Native title claim / Determination	Aboriginal sites/Other heritage places	Agreements	Proceedings
P30/1122	not a Priority Tenement	55 ha	4/12/13	3/12/21	Carnegie Gold Pty Ltd	100% legal and beneficial interest in all minerals	Nil	Nil	Mortgage 501759 by Investec Australia Limited registered 27 February 2017, mortgage transfer 541400 to Hawke's Point Holdings II Limited registered 26 October 2018	\$2,200 (for year ending 3-Dec-19)(Expenditure not yet reported for year ending 03/12/18)	\$151.25 (for year ending 03/12/20)		\$0.00	E30/506 (Gold Geological Consulting Pty Ltd)	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim (WC2017/007)	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil
E30/0504	not a Priority Tenement	2 BL	25/06/18	-	Carnegie Gold Pty Ltd	Application holder	Nil	Nil	Nil	-	-	-	-	Nil	Nil	100% of the area is the subject of the Maduwongga native title claim (WC2017/001) 100% of the area is the subject of the Marlinyu Ghoorlie native title claim	No Registered Aboriginal Sites No Other Heritage Places	Nil	Nil

## 11. Material Contracts

Detailed below is a summary of the material contracts to which the Company is a party that may be material in the context of the Offers, for the operation of the business of the Company, or otherwise may be relevant to a potential investor in the Company (**Material Contracts**).

All provisions of the Material Contracts are not repeated in this Prospectus and any intending Applicant who wishes to gain a full knowledge of the content of the Material Contracts should inspect the same at the registered office of the Company.

### 11.1 Deed of Company Arrangement and Creditors' Trust Deed

On 12 February 2019, the Group entered into a deed of company arrangement with Hawke's Point, the Administrators, the Supporting Creditors and the Supporting Secured Creditors.

The key terms of the DOCA are detailed in the table below.

Key Term of DOCA	Summary
Capital Raising	<p>Not less than \$22 million shall be raised to satisfy the obligations of the Group under the DOCA and provide the Group with adequate working capital. It is intended that this amount be raised via any or the following methods:</p> <ul style="list-style-type: none"> <li>(a) a one for one rights issue priced at 1.0 cent per share;</li> <li>(b) an offering of secured convertible notes to be converted at 1.0 per share and ordinary shares at 1.0 cent per shares; and</li> <li>(c) such other equity and/or debt capital raising as the Directors, the Administrators and Hawke's Point agree.</li> </ul> <p>Finalisation of the capital raising will be subject to the Administrators and the Directors being satisfied that the Conditions Subsequent to the DOCA will occur.</p> <p>Hawke's Point has committed to subscribe for number of Shares and New Convertible Notes as will equal 25% of the total quantum of the Capital Raising.</p>
Position of Creditors	<p>The position of creditors under the DOCA is as follows:</p> <ul style="list-style-type: none"> <li>(a) Secured Creditors have agreed, subject to Shareholder approval, to accept Shares at the rate of 1 cent per Share in full satisfaction of all of its Claims;</li> <li>(b) Supporting Creditors have agreed to accept a cash payment out of the Capital Raising equal to 22 cents of 60% of each such Supporting Creditor's agreed Claim amount and, subject to Shareholder approval, convert the remaining 40% of their respective agreed Claims to Shares in full satisfaction of the respective debts owed to them by the Company;</li> <li>(c) other unsecured creditors will be split under Pool A (being those with claims less than \$50,000) and Pool B (being those with claims over \$50,000);</li> <li>(d) any amounts due and payable to employees with respect to wages and other employee entitlements will be paid in full; and</li> <li>(e) any government, statutory authority or regulator will be paid in full if non-payment of such a debt puts at risk any of the assets of the Group.</li> </ul> <p>The Secured Creditors and the Supporting Creditors have agreed that on completion, each entity of the Group is released from all Claims by the Secured Creditors and the Supporting Creditors and all Claims by the Secured Creditors against entities in the Group are extinguished.</p>
Standstill	<p>The Secured Creditors (except Hawke's Point) and the Supporting Creditors have agreed not to recover the balance of any Claim or assign any Claim against any member of the Group until 31 December 2019 or the Shares are re-quoted on ASX. These parties have agreed to the Moratorium described below.</p>
Conditions Precedent	<p>The DOCA will complete on the date which is 2 business days after satisfaction of the last of the following conditions precedent (the <b>Conditions Precedent</b>):</p> <ul style="list-style-type: none"> <li>(a) the creditors of the Group approve the DOCA (satisfied);</li> <li>(b) the creation of the Creditors' Trust (satisfied);</li> <li>(c) the entry into agreements with Pit N Portal and Aggreko on terms reasonably</li> </ul>

Key Term of DOCA	Summary
	<p>acceptable to both parties (satisfied);</p> <p>(d) the appointment of the interim managing director (satisfied); and</p> <p>(e) the receipt by the Group of no less than:</p> <p>(i) \$22m from a capital raising (other than the funds that are to be received in respect of the issue of the Placement Shares, which shall be held in escrow pending Shareholder approval); and</p> <p>(ii) \$19m (of that sum of \$22m) to be raised from the New Convertible Notes and Entitlement Offer.</p> <p>(f) The Deed Administrators and the Directors being satisfied that the Shareholder approval with respect to the Resolutions will be obtained, either at the General Meeting or within a reasonable time thereafter.</p> <p>The Conditions Precedent at (e)(ii) can be waived by agreement between Hawke's Point and the Deed Administrators if they are satisfied sufficient funds are available to the Group to enable completion to occur.</p> <p>All other conditions are for the benefit of Hawke's Point and the Deed Administrators and may only be waived by mutual agreement in writing.</p> <p>In the event that completion does not occur by 30 June 2019 or such other date as agreed between Hawke's Point and the Deed Administrators, the Deed Administrators may cause the Group to be placed into liquidation and/or convene a meeting of creditors to vary or terminate the DOCA.</p> <p>On completion occurring:</p> <p>(a) the DOCA will terminate;</p> <p>(b) the control of the Group will return to the Directors;</p> <p>(c) the sum of \$7.3 million out of the Capital Raising will be paid to the trustee of the Creditors Trust;</p> <p>(d) approximately \$4.6 million out of the Capital Raising will be paid to the Supporting Creditors;</p> <p>(e) the balance of the money raised under the Capital Raising will be available to the Company to use for working capital; and</p> <p>(f) Claims of all creditors, except for the PPSR secured creditors, the Secured Creditors and the Supporting Creditors (with respect to their 40% Claims only will be release and those creditors will be entitled to participate as beneficiaries under the Creditors Trust.</p>
General Meeting	<p>If Shareholders approve all of the Resolutions put forward at the General Meeting, the Company will action all Resolutions. If Shareholders approve some (but not all) of the Resolutions, the Company will issue such number of securities to the extent approved by Shareholders.</p> <p>Completion of the Resolutions put forward at the General Meeting must occur by 31 December 2019.</p> <p>The obligations of the parties on completion are interdependent. All actions required to be performed are deemed to take place simultaneously.</p>
Creditors Trust	<p>The Deed Administrators will become the trustees of the Creditors' Trust (<b>Trustees</b>). The funds in the Creditors' Trust will be distributed in accordance with a Creditors' Trust Deed in the following priority:</p> <p>(a) terminated employee entitlements, to be paid in full;</p> <p>(b) the Trustees' costs;</p> <p>(c) in satisfaction of the government and statutory authority debts in full;</p> <p>(d) the reimbursement funds, in satisfaction of the unpaid remuneration, expenses and liabilities properly incurred by the Administrators and Deed Administrators, and which are outstanding at the completion date, but excluding those satisfied out of the additional funding, of up to \$1.0 million provided to the Deed Administrators;</p> <p>(e) from the Pool A Fund, to the Pool A Unsecured Creditors on a pro rata, pari</p>

Key Term of DOCA	Summary
	<p>passu basis (up to 100 cents in the dollar); and</p> <p>(f) from the Pool B Fund, to the Pool B Unsecured Creditors, in the amount of \$50,000 per Claim and as to the balance split pro rata to Pool B Unsecured Creditors.</p>
Creditors' Claims	<p>The DOCA binds all persons having a Claim.</p> <p>From 12 February until termination of the DOCA (<b>Arrangement Period</b>), there is a moratorium on persons having a Claim against the Group from doing certain things (<b>Moratorium</b>), including:</p> <p>(a) begin an application to wind up an entity of the Group;</p> <p>(b) begin or continue any proceedings against an entity in the Group; and</p> <p>(c) begin or continue any enforcement process in relation to the property of an entity in the Group.</p> <p>On completion of the DOCA:</p> <p>(a) persons having a Claim must accept their right to prove under the Creditors' Trust in full satisfaction and complete of all Claims against an entity in the Group;</p> <p>(b) each entity of the Group is released from all Claims; and</p> <p>(c) Admitted Creditors shall only be entitled to receive such distributions as are provided for under the DOCA or the Creditors' Trust Deed.</p>
Conditions Subsequent	<p>The DOCA also contains the following conditions subsequent (<b>Conditions Subsequent</b>):</p> <p>(a) Shareholder approval of the following:</p> <p>(i) the conversion of debt to equity by the Supporting Creditors;</p> <p>(ii) the conversion of the Secured Hawke's Point Debt and the secured debt of the Secured Creditors;</p> <p>(iii) the conversion of the New Convertible Notes;</p> <p>(iv) the issuance of the Placement Shares;</p> <p>(v) the effectuation of the Directors incentive plan;</p> <p>(b) the Notice of Meeting seeking the Shareholder approvals above will include and independent expert's report stating whether, in the expert's opinion, the conversion of the Secured Hawke's Point Debt is fair and reasonable to Shareholders; and</p> <p>(c) the Company will change its name to Ora Banda Mining Limited.</p>
Directors powers and responsibilities	<p>During the Arrangement Period, a Director, from 12 February 2019 until termination of the DOCA:</p> <p>(a) cannot perform or exercise, and must not purport to perform or exercise, a function or power as an officer of an entity in the Group, except as provided for by the DOCA or otherwise with the Deed Administrators' prior written approval;</p> <p>(b) must cooperate and assist the Deed Administrators in the performance of the Deed Administrators, including using their best endeavours to ensure the satisfaction of the Conditions Precedent.</p> <p>The Deed Administrators have the power to remove and appoint Directors.</p>
Indemnity	<p>The Deed Administrators are entitled to be indemnified out of the property of the Group for, amongst other things, their remuneration, costs, fees and expenses for work done in the performance of their duties as Administrators and all actions, suits, proceedings, accounts, claims and demands arising which may be commenced, incurred by or made on them by any person.</p> <p>The indemnity is limited to cash held by the Group, any funds generated in the conduct of operations of the Group during the period of appointment, additional funding provided by Hawke's Point and other property of the Group up to a maximum of \$1 million or such other amount as agreed between the Deed Administrators and Hawke's Point.</p>

## 11.2 Existing Convertible Notes

On 27 September 2018 and 28 September 2018, the Company entered into binding agreements with the Secured Creditors to issue 87,500 Existing Convertible Notes to the Secured Creditors to raise \$8,750,000 (**Existing Convertible Note Deeds**). The Company issued the Existing Convertible Notes on 4 October 2018. It should be noted that the Secured Creditors have agreed to settle their claims under the Existing Convertible Notes into Shares at the rate of 1 cent per Share in accordance with the DOCA (subject to approval at the General Meeting). The terms of the Existing Convertible Notes are summarised for completeness below.

The Existing Convertible Notes are secured debt instruments of the Company (comprising a loan from the relevant Secured Creditor to the Company) and do not carry any rights to conversion into Shares unless and until receipt of Shareholder approval (amongst other things) approve the issue of the Shares to be issued upon conversion of the Existing Convertible Notes for the purpose of the Listing Rules.

Following the receipt of the required shareholder and regulatory approvals (and satisfaction of the other conditions precedent to conversion, the Existing Convertible Notes are convertible into Shares in accordance with their terms.

The key terms of the Existing Convertible Notes are detailed below:

Key Term of Existing Convertible Note	Summary
Face Value	\$100.00
Interest	Accrues daily as 8% per annum
Security	The Existing Convertible Notes are secured against the assets of the Company by reason of indebtedness being recognised and brought under the current security package issued by the Company in connection with the Syndicated Facilities Agreement. Hawke's Point has agreed to procure that the terms and conditions of the Security Trust Deed are amended subject to and with effect from completion of the Hawke's Point New Convertible Note Deed to include the conditions required by the ASX Waiver.
Conditions Precedent to Conversion	<ul style="list-style-type: none"> <li>(a) The Company receiving cleared funds from a placement for an amount not less than \$36.9 million at a price of \$0.05 per share;</li> <li>(b) ASX not refusing to: <ul style="list-style-type: none"> <li>(i) grant quotation of the Shares issued upon conversion of the Existing Convertible Notes;</li> <li>(ii) grant quotation of any Shares issued upon the exercise of the Noteholder Options; or</li> <li>(iii) granting the resumption of trading of the Company's securities on ASX; and</li> </ul> </li> <li>(c) All necessary Shareholder and regulatory approvals having been obtained by the Company, presently proposed to be sought at the General Meeting;</li> <li>(d) In relation to the Existing Convertible Notes issued to Hawke's Point only: <ul style="list-style-type: none"> <li>(i) the Company discharging its obligations to separate its officers, personnel, bank accounts, systems and other information technology from those of Investment and any other persons or entities affiliated with Michael Fotios;</li> <li>(ii) the Company and Adaman entering into the "Master Services Contract" contemplated by the Recapitalisation and Services Deed on terms satisfactory to Hawke's Point (acting reasonably); and</li> <li>(iii) the Company providing evidence that two additional non-executive independent directors will be appointed by the Company (such as the total number of directors will be at least 5) as soon as practicable following conversion of the Notes.</li> </ul> </li> </ul>
Conversion	The Existing Convertible Notes will convert to Shares on the date that is two business days after the date on which all conditions precedent to conversion have been satisfied or waived (and in respect of the Hawke's Point Notes, if the receipt of funds under the placement is the last condition precedent to be satisfied, simultaneously with the receipt of funds under the placement to the extent practicable);

Key Term of Existing Convertible Note	Summary
Conversion Price	\$0.05
Number of Conversion Shares	<p>The number of Conversion Shares to be issued on conversion of the Existing Convertible Notes is calculated as follows:</p> $\frac{A}{B}$ <p>where:</p> <p>A = the amount paid on issue of the Existing Convertible Notes and any capitalised interest; and</p> <p>B = the Conversion Price.</p>
Noteholder Options	<p>Each Secured Creditor will be issued the number of options (<b>Noteholder Options</b>) as follows:</p> <ul style="list-style-type: none"> <li>(a) Hawke's Point: 17,500,000 Options;</li> <li>(b) Donald Smith: 12,500,000 Options;</li> <li>(c) Wyllie Group: 10,000,000 Options; and</li> <li>(d) Perennial: 3,750,000 Options.</li> </ul> <p>The Noteholder Options will have an exercise price of \$0.075 and an expiry date of 4 years after the date of issue.</p>
Redemption	Where the Existing Convertible Notes have not been earlier converted, the Existing Convertible Notes must be redeemed by cash repayment within 8 weeks of the issue of the Existing Convertible Notes.
Events of Default	<ul style="list-style-type: none"> <li>(a) In relation to the Existing Convertible Notes issued to Hawke's Point only, the Company amends the terms of any other Convertible Note Deed without the consent of Hawke's Point.</li> <li>(b) Failure of the Company to seek Shareholder approval for the Conversion Shares at the General Meeting.</li> <li>(c) Subscription letters for the previously contemplated placement are terminated for an amount of at least \$5 million in aggregate and the funding shortfall is not remedied by the execution of further subscription letters within 10 Business Days.</li> <li>(d) Termination of the Recapitalisation and Services Deed between the Company, Adaman and Pit N Portal Mining.</li> <li>(e) Other standard events of default for an agreement of this nature.</li> </ul>

### 11.3 New Convertible Notes

The Company will enter into binding agreements with professional and sophisticated investors to issue New Convertible Notes to raise up to \$38.7 million (**New Convertible Note Deeds**).

The New Convertible Notes will be debt instruments of the Company and do not carry any rights to conversion into Shares unless and until receipt of Shareholder approval (amongst other things) for the issue of the Shares to be issued upon conversion of the New Convertible Notes for the purpose of the Listing Rules.

Following the receipt of the required shareholder and regulatory approvals (and satisfaction of the other conditions precedent to conversion), the New Convertible Notes will automatically convert into Shares in accordance with their terms.

The New Convertible Notes issued to Hawke's Point, Donald Smith, Wyllie Group and Perennial also provide for the grant of Noteholder Options contemplated under the Noteholder Offer. The Noteholder Options are exercisable 4 years from the date of the issue of the New Convertible Notes with an exercise price of \$0.075. The number of Noteholder Options to be issued is as follows:

Entity	Number of Noteholder Options
Hawke's Point	17,500,000
Donald Smith	12,500,000

Entity	Number of Noteholder Options
Wyllie Group	10,000,000
Perennial	3,750,000

Under the terms of the Existing Convertible Notes, each of these entities was previously entitled to receive this number of Options on the same terms and conditions. However, the Options were never issued by the Company and their claims under the Existing Convertible Notes have been subsumed into the DOCA.

The Noteholder Options are now being granted to each of these entities under the New Convertible Notes, subject to Shareholder approval, in lieu of the grant of Options as originally contemplated under the terms of the Existing Convertible Notes and in consideration of the entities' support for the Recapitalisation.

The key terms of the New Convertible Notes are detailed below.

Key Term of New Convertible Note	Summary
Face Value	\$100.00
Interest	Accrues daily at 10% per annum
Security	<p>The New Convertible Notes issued to Hawke's Point and the Secured Creditors will be treated as a "Finance Document" and will be secured against the assets of the Company under the current security package issued by the Company.</p> <p>ASX has granted a waiver from Listing Rule 10.1 on conditions which include that the existing security documents are amended to satisfy the conditions of the waiver (see Section 11.9). Hawke's Point has agreed to procure that the terms and conditions of the Security Trust Deed are amended subject to and with effect from completion of the Hawke's Point New Convertible Note Deed to include the conditions required by the ASX Waiver.</p> <p>All other New Convertible Notes will be unsecured.</p>
Transferability	Subject to a standstill period of 90 days from the completion date (during which the consent of the Company is required to transfer any New Convertible Notes) which the consent of the Company is required to transfer any New Convertible Notes), New Convertible Notes are freely transferable to any persons to whom an offer can lawfully be made without the issue of disclosure document.
Conditions Precedent to Conversion	<p>(a) The Company confirming it is not aware of any matter that would prevent ASX:</p> <p>(i) granting quotation of the Shares issued upon conversion of the New Convertible Notes or the exercise of the Noteholder Options; and</p> <p>(ii) granting the resumption of trading of the Company's securities on ASX; and</p> <p>(b) All necessary Shareholder and regulatory approvals having been obtained by the Company, presently proposed to be sought at the General Meeting.</p>
Conversion	The New Convertible Notes will convert to Shares on the date determined by the Company that is no more than two business days after the satisfaction or waiver of the conditions precedent to conversion.
Conversion Price	\$0.01
Number of Conversion Shares	<p>The number of Conversion Shares to be issued on conversion of the New Convertible Notes is calculated as follows:</p> $\frac{A}{B}$ <p>where:</p> <p>A = the amount paid on issue of the New Convertible Notes and any capitalised interest; and</p>

Key Term of New Convertible Note	Summary
	B = the Conversion Price.
Redemption	Where the Existing Convertible Notes have not been earlier converted, the Existing Convertible Notes must be redeemed by cash repayment on 31 December 2019.
Events of Default	<p>(a) In relation to the New Convertible Note Deed between the Company and Hawke's Point only, the Company defaults in its obligation under the Syndicated Facility Agreement or any Existing Convertible Note Deed other than certain exempted matters relating to the Recapitalisation.</p> <p>(b) Termination of the DOCA.</p> <p>(c) Failure of the Company to seek Shareholder approval for the New Conversion Shares at the General Meeting.</p> <p>(d) The Company being obliged to return any funds held on trust for subscribers under the placement.</p> <p>(e) The Company materially amending the terms and conditions of any other New Convertible Note or the DOCA, except with the consent of the holder of the Notes.</p> <p>(f) Other customary events of default for an agreement of this nature.</p>

## 11.4 Existing Secured Debt Agreements

### Hawke's Point Secured Debt

#### Assignment of the Hawke's Point Secured Debt to Hawke's Point

- (a) On 28 August 2018, Investec Bank PLC and Investec Australia Limited assigned the Syndicated Facilities Agreement, Security Trust Deed and General Trust Deed to Hawke's Point and Hawke's Point Holdings II Limited.

#### Syndicated Facility Agreement

- (b) Pursuant to a Syndicated Facilities Agreement between the Company, Investec Australia Limited, Investec PLC and others dated on or about 1 February 2017 (**Syndicated Facility Agreement**) the Company has access to a debt facility comprising:
- (i) an Australian dollar revolving credit facility in an aggregate amount of \$15 million (**Facility A**); and
  - (ii) subject to the Company providing a drawdown notice during the in the period ending 60 days prior to maturity, an Australian dollar revolving credit facility in an aggregate amount of \$10 million (**Facility B**).
- (c) Without Investec Bank PLC's prior written consent, each facility may only be used for the following purposes:
- (i) **Facility A**: for general corporate and working capital purposes of the Group and for no other purpose; and
  - (ii) **Facility B**: for:
    - (A) general corporate and working capital purposes of the Group; and
    - (B) to meet principal, interest, cost and fee payments in relation to Facility A,
  - (iii) and for no other purpose.
- (d) The Company may draw down loans from:
- (i) **Facility A**: in a minimum principal amount of \$1 million and a whole multiple of \$500,000 or the undrawn commitments; and
  - (ii) **Facility B**: in a minimum principal amount of \$2.5 million and a whole multiple of \$500,000 or the undrawn commitments,
- (each a **Loan**).
- (e) The Company must ensure that there is no more than one Facility A Loan outstanding at any time.

- (f) The Company is liable to pay interest on the outstanding principal amount in arrears on the last day of each funding period (being 90 days for Facility A and up to 90 days after the drawn down date as selected by the Company pursuant to the Syndicated Facility Agreement for Facility B) (**Funding Period**) and on repayment or prepayment of all or the relevant part of a Loan.
- (g) The interest rate is calculated by Investec Bank PLC to be the sum of:
- (i) **Facility A:** the:
    - (A) margin (being 4% pa until the Company achieves 8 weeks of continuous gold production or 3% after such date; and
    - (B) arithmetic mean of the bid rates displayed at or about 10:30am (Sydney time) on the first day of that period on the Reuters screen BBSW for a term equivalent to the period after eliminating one of the highest and one of the lowest of those rates, or
  - (ii) **Facility B:** the
    - (A) Margin (being 1.5% pa);
    - (B) arithmetic mean of the bid rates displayed at or about 10:30am (Sydney time) on the first day of that period on the Reuters screen BBSW for a term equivalent to the period after eliminating one of the highest and one of the lowest of those rates; and
    - (C) costs associated with borrowing shares required in order to fully hedge the position of any Loan,
- for the relevant Funding Period.
- (h) The Company must repay each facility Loan on the last day of its Funding Period.
- (i) The Company was required to repay the principal amount of each of Facility A and Facility B on 1 February 2019.
- (j) The Syndicated Facility Agreement contains customary review events and events of default for an agreement of its nature.

#### **General Security Deed**

- (k) On 1 February 2017 the Company, Carnegie Gold Pty Ltd, Ida Gold Operations Pty Ltd, Mt Ida Gold Pty Ltd, Mt Ida Gold Operations Pty Ltd, Pilbara Metals Pty Ltd, Siberia Gold Operations Pty Ltd and Siberia Mining Corporation Pty Ltd (each an **Obligor**) entered into a general security deed with Investec Australia Limited (**General Security Deed**).
- (l) Pursuant to the General Security Deed, each obligor granted a security interest to Investec Australia Limited in each of the obligor's respective all present and after-acquired property, to secure payment of amounts owing to the beneficiaries of the security trust.
- (m) In accordance the General Security Deed, the Existing Convertible Notes were included as part of the security as new finance documents.

#### **Security Trust Deed**

- (n) On 1 February 2017, the obligors entered into a security trust deed with Investec Australia Limited, Investec Bank PLC and others (**Security Trust Deed**) to declare and establish the security trust and appoint Investec Australia Limited as the security trustee.
- (o) The Security Trust Deed Hawke's Point has agreed to amend the terms and conditions of the Security Trust Deed subject to and with effect from completion of the Hawke's Point New Convertible Note Deed to include the conditions of the ASX Waiver.

### **11.5 Lead Manager Mandate**

On 16 January 2019, the Company entered into a mandate letter with Hartleys pursuant to which it has engaged Hartleys to act as Lead Manager to the Capital Raising and provide corporate advice and capital raising services to meet its capital requirements pursuant to the DOCA and to ensure an appropriate working capital position for the Company to continue to advance its Davyhurst Project (**Lead Manager Mandate**).

The Lead Manager Mandate has an 18 month term (**Term**). During the Term, the Company has granted Hartleys a first right to be appointed as:

- (a) corporate adviser in respect of any material M&A transaction by the Company or any of its Related Bodies Corporate (with the terms of the engagement and fee arrangements to be consistent with market practice); and
- (b) lead manager to any equity or hybrid capital raising during the Term, in return for a 6% capital raising fee on funds subscribed by Hartleys.

Hartleys will receive the following fees in consideration for work undertaken on completion of the Capital Raising:

- (a) a management fee of \$300,000 paid by way of the issue of New Shares at the same issue price as the Entitlement Offer (**Lead Manager Shares**);
- (b) a lead manager fee of:
  - (i) 2% of the gross proceeds received from Hawke's Point, IFM, Perennial, Donald Smith and Wyllie Group under the Capital Raising; and
  - (ii) 6% of the gross proceeds received from all other investors under the Capital Raising;
- (c) adviser options, with the quantum of adviser options to be issued being the aggregate of the following (on a pre-consolidated basis):
  - (i) 3.75 million Lead Manager Options for every \$1 million raised pursuant to the Capital Raising for the first \$28 million raised; and
  - (ii) 5 million Lead Manager Options for every \$1 million raised in excess of \$28 million pursuant to the Capital Raising; and
- (d) a monthly corporate advisory fee of \$10,000 for nine months after completion of the Capital Raising (with the Company and Hartleys to discuss in good faith an appropriate advisory fee for the remainder of the term).

## 11.6 Hawke's Point Subscription Agreement

On or around 30 January 2018, the Company entered into an agreement to issue to Hawke's Point 87,500,000 Shares, 43,750,000 Options with an exercise price of \$0.25 and 43,750,000 Options with an exercise price of \$0.275 each expiring five years from the date of grant and subject to an accelerated expiry date should certain conditions be met (**Subscription Agreement**). The Company completed the issue of the Shares and Options to Hawke's Point on 5 February 2019.

The Subscription Agreement provides that for so long as Hawke's Point and its affiliates maintain a 10% shareholding in the Company:

- (a) Hawke's Point has the right to nominate a non-executive Director;
- (b) the Company will not undertake any of the following actions without the consent of Hawke's Point:
  - (i) increase the total number of Directors including Hawke's Point's nominee beyond five;
  - (ii) approve the Company's annual operating budget, unless approved unanimously by the Directors other than Hawke's Point's nominee;
  - (iii) borrow more than \$2,000,000 prior to the completion of a bankable feasibility study for the Mt. Ida project underpinning the Mt. Ida plant, or and the construction and commissioning of the Mt. Ida plant, other than in respect of financing the Mt Ida plant;
  - (iv) enter into any royalty or streaming or other similar material agreement;
  - (v) hire or terminate the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Commercial Officer, Chief Geological Officer of the Company or their functional equivalents (if any);
  - (vi) enter into any agreement with a related party;
  - (vii) enter into a liquidation, sale, merger or amalgamation of the Company unless approved unanimously by the independent Directors, or the sale or substantial encumbrance of the Company's projects;
  - (viii) the declaration or payment of any dividend or distribution unless unanimously approved by the Directors, unless approved unanimously by the Directors other than Hawke's Point's nominee;
- (c) subject to Hawke's Point's shareholding not exceeding 25%, the Company must give Hawke's Point at least two week's written notice of any proposal to conduct an equity capital raising and give Hawke's Point a reasonable opportunity to participate in the equity capital raising, on equal

terms to those offered to other potential subscribers, to allow Hawke's Point and its affiliates to maintain its fully diluted shareholding in the Company on a percentage basis; and

- (d) Hawke's Point has a right of first refusal to participate to the amount of 50% in any debt issue or royalty or metal streaming agreement proposed by any member of the Group, except in relation to a debt issue to fund construction of the Mt Ida Plant on customary commercial terms.

Under the Side Letter (detailed below), Hawke's Point has waived its pre-emptive and anti-dilution rights under the Subscription Agreement in relation to the issue of shares (and options to acquire shares) under the Offers and as part of the Recapitalisation, provided that the issue of those shares is consistent with the DOCA.

## 11.7 Side Letter

On 5 April 2019, Hawke's Point executed a side letter relating to the Subscription Agreement, Existing Convertible Note Deeds, the Syndicated Facility Agreement and associated security documents (**Side Letter**).

In relation to the Subscription Agreement, the Side Letter provides that Hawke's Point consents to the Recapitalisation to the extent necessary for the purposes of the Subscription Agreement and agrees to waive its pre-emptive and anti-dilution rights under the Subscription Agreement in relation to the issue of Shares and Options under the Offers and as part of the Recapitalisation, provided that the issue is consistent with the DOCA.

In relation to the Existing Convertible Note Deeds, Hawke's Point:

- (a) acknowledges and agrees that the Company may proceed with the Recapitalisation notwithstanding any provision of the Existing Convertible Note Deed between the Company and Hawke's Point or the terms of the Existing Convertible Notes issued to Hawke's Point;
- (b) consents to the Recapitalisation to the extent necessary for the purposes of the Existing Convertible Note Deed between the Company and Hawke's Point and the terms of the Existing Convertible Notes issued to Hawke's Point; and
- (c) agrees to forbear from exercising any rights or powers it may have against the Company under the Existing Convertible Note Deed between the Company and Hawke's Point, the terms of the Existing Convertible Notes issued to Hawke's Point or any related documents (including the associated security documents) by reason of an event of default that occurred prior to the date of the Side Letter and is subsisting as at the date of the Side Letter, or occurs as a result of a transaction contemplated by the DOCA.

In relation to the Syndicated Facility Agreement and associated security documents, Hawke's Point and Hawke's Point Holdings II Limited (as Security Trustee):

- (a) acknowledge and agree that the Company may proceed with the Recapitalisation notwithstanding any provision of the Syndicated Facility Agreement and associated security documents;
- (b) consent to the Recapitalisation to the extent necessary for the purposes of Syndicated Facility Agreement and associated security documents; and
- (c) agree to forbear from exercising any rights or powers they may have against the Company under the Syndicated Facility Agreement or the associated security documents that Hawke's Point (or Hawke's Point Holdings II Limited) by reason of an event of default that occurred prior to the date of the Side Letter and is subsisting as at the date of the Side Letter, or occurs as a result of a transaction contemplated by the DOCA.

The agreed forbearance in relation to rights or powers arising under the Convertible Note Deed with Hawke's Point, Existing Convertible Notes issued to Hawke's Point, Syndicated Facility Agreement and the associated security documents ends on the earlier of:

- (a) shares being issued to Hawke's Point (and/or its nominee) by way of the Debt Repayment;
- (b) the shareholders of the Company not approving the issue of the Shares to Hawke's Point (and/or its nominee) at the General Meeting; and
- (c) 30 June 2019.

## 11.8 Pre-Commitment Letter

On 5 April 2019, Hawke's Point entered into a pre-commitment letter with the Company under which Hawke's Point irrevocably commits to subscribe for, and the Company agrees to allocate, such number of Shares and New Convertible Notes to Hawke's Point as will equal 25% of the total quantum of the Capital Raising (including Hawke's Point's commitment) (**Pre-Commitment Letter**).

ASX has granted a waiver from Listing Rule 10.1 on conditions which include that the existing security documents are amended to satisfy the conditions of the waiver (see Section 11.9). Hawke's Point has agreed to procure that the terms and conditions of the Security Trust Deed are amended subject to and with effect from completion of the Hawke's Point New Convertible Note Deed to include the conditions required by the ASX Waiver.

Under the Pre-Commitment Letter, Hawke's Point also has the right but not the obligation to increase its participation in the Capital Raising above 25% up to a maximum of \$10 million.

If a greater level of participation from Hawke's Point is required in order to reach the minimum capital raising amount of \$30 million, Hawke's Point has indicated it will consider increasing its participation at the request of the Company (but without any obligation to do so) as necessary to reach the minimum capital raising, up to a maximum participation of \$15 million.

Hawke's Point will only be issued securities under the Entitlement Offer and Shortfall Offer to the extent that its voting power does not exceed 19.99%, with the balance of its commitment being issued in New Convertible Notes.

Any increase in Hawke's Point's commitment is conditional on Shareholder approval for the purposes of section 611 item 7 of the Corporations Act and the issue of a cleansing prospectus (where relevant) to allow the on sale of the Shares and New Convertible Notes issued to Hawke's Point.

The Pre-Commitment Letter also provides that Hawke's Point and the Deed Administrators agree to extend the "Due Date", as that term is defined in the DOCA, to 30 June 2019.

## 11.9 Securities Side Letter

On 29 April 2019, ASX granted a waiver of Listing Rule 10.1 in respect to the amounts advanced by Hawke's Point under the Hawke's Point New Convertible Notes being secured by the existing security package held by Hawke's Point (**ASX Waiver**). The ASX Waiver includes the following conditions concerning Hawke's Point's existing security package:

- (a) the security is amended to include a term that if an event of default occurs and Hawke's Point exercises their rights under such security, neither Hawke's Point or its associates can acquire any legal or beneficial interest in an asset of the Group in full or part satisfaction of the Company's obligations under the security, or otherwise deal with the assets of the Group, without the Company having complied with any applicable Listing Rules, including Listing Rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by Hawke's Point exercising their power of sale under the security and selling the assets to an unrelated third party on arm's length terms and conditions and distributing the cash proceeds to the lender (or its associates) in accordance with their legal entitlements; and
- (b) the Company and Hawke's Point must discharge the security when the funds advanced to Company by the issue of the Hawke's Point New Convertible Notes are repaid (including by way of extinguishing the debt arising from the New Convertible Notes and the as a whole by the issue of Shares), and in any event before the Shares (which are currently suspended) are reinstated to trading on ASX.

The ASX Waiver is otherwise on customary terms.

On 29 April 2019, Hawke's Point entered into a securities side letter with the Company under which it has agreed to procure that the terms and conditions of the Security Trust Deed are amended subject to and with effect from completion of the Hawke's Point New Convertible Note Deed to include the conditions required by the ASX Waiver.

## 11.10 Electrical Supply Agreement

On or around March 2017, the Company entered into an agreement with Aggreko Generator Rentals Pty Ltd (**Aggreko**) to supply electricity to Davyhurst and a deed of agreement dated 14 September 2018 to modify certain terms of that agreement (**Electrical Supply Agreement**).

The Company entered into an agreement dated 16 April 2019 to amend the Electrical Supply Agreement to update the ongoing monthly rental rate and to extend the forbearance termination date to the earlier of the power station becoming operational or 1 October 2020 (**Amended Electrical Supply Agreement**). The Company has deemed the Amended Electrical Supply Agreement necessary for the ongoing commercial relationship between the parties and a contract necessary to satisfy the condition precedent of the DOCA detailed at Section 11.1.

## 11.11 Mining Services Agreement

On 18 July 2017, Carnegie Gold Pty Ltd, a subsidiary of the Company, entered into an agreement with Pit N Portal Mining Services Pty Ltd and subsequently entered into a deed of variation on or around October 2018 to provide underground mining services to the Company but did not include a production schedule (**Mining Services Agreement**).

The Company entered into an agreement dated 18 April 2019 to amend the Mining Services Agreement to agree to enter into a contract, after completion, on no less favourable terms to Carnegie Gold Pty Ltd which will include a production mechanism and timing for commencement of production (**Amended Mining Services Agreement**). The Company has deemed the Amended Mining Services Agreement necessary for the ongoing commercial relationship between the parties and a contract necessary to satisfy the condition precedent of the DOCA detailed at Section 11.1.

## 11.12 Capacity Agreement

On 5 July 2016, the Company entered into an agreement with GoldNet Pty Ltd to provide telecommunication services to the Davyhurst Project.

## 11.13 Agreements

### (a) Peter Mansell (Non-Executive Chairman) Letter of Appointment

The Company has entered into a binding letter agreement with Mr Peter Mansell to act as Non-Executive Chairman. Mr Mansell is paid a fee of \$165,000 per annum. Mr Mansell is also entitled to reimbursement of all reasonable expenses incurred in performing his duties.

Subject to the requirements of the Constitution and the Corporations Act, Mr Mansell's appointment will continue until he is not re-elected in accordance with the Constitution and Corporations Act, or he resigns.

The appointment of Mr Mansell as Non-Executive Chairman is otherwise on terms that are standard for an appointment of this nature.

### (b) David Quinlivan (Managing Director) Executive Services Agreement

David Quinlivan was appointed as interim Managing Director by the Deed Administrators. David has agreed to an ongoing role as Managing Director following completion of the Capital Raising, with David's primary role being to guide the Company through its re-establishment phase.

The Company has entered into a binding letter agreement with Borden Mining Services Limited to provide the services of a suitably qualified person to undertake the role of interim Managing Director (**Executive Services Agreement**), which will be David Quinlivan. Under the Executive Services Agreement, Mr Quinlivan will be paid \$25,000 per month plus superannuation.

Mr Quinlivan will also be issued, following shareholder approval, up to 30,000,000 Performance Options with a zero strike price on the Company's Shares being reinstated to trading on ASX under the Plan (terms specified in Section 12.6).

The Executive Services Agreement otherwise contains terms and conditions considered customary for an agreement of its type.

### (c) Keith Jones (Non-Executive Director) Letter of Appointment

The Company has entered into a binding letter agreement with Mr Keith Jones to act as Non-Executive Director. Mr Jones will be paid a fee of \$110,000 per annum. Mr Jones is also entitled to reimbursement of all reasonable expenses incurred in performing his duties.

Subject to the requirements of the Constitution and the Corporations Act, Mr Jones' appointment will continue until he is not re-elected in accordance with the Constitution and Corporations Act, or he resigns.

The appointment of Mr Jones as Non-Executive Director is otherwise on terms that are standard for an appointment of this nature.

### (d) Mark Wheatley (Non-Executive Director) Letter of Appointment

The Company has entered into a binding letter agreement with Mr Wheatley to act as Non-Executive Director. Mr Wheatley will be paid a fee of \$110,000 per annum. Mr Wheatley is also entitled to reimbursement of all reasonable expenses incurred in performing his duties.

Subject to the requirements of the Constitution and the Corporations Act, Mr Wheatley appointment will continue until he is not re-elected in accordance with the Constitution and Corporations Act, or he resigns.

The appointment of Mr Wheatley as Non-Executive Director is otherwise on terms that are standard for an appointment of this nature.

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#### 11.14 Deeds of Indemnity, Access and Insurance

The Company has entered into a deed of indemnity, insurance and access with each of its Directors (**Indemnity Deeds**).

Pursuant to these Indemnity Deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as an officer of the Company. The Company will be required under the Indemnity Deeds to maintain insurance policies for the benefit of each of the Directors for the term of their appointment and for a period of seven years after the relevant Director's retirement or resignation.

The Indemnity Deeds also provide for the Directors' right of access to Company records.

## 12. Additional Information

### 12.1 Rights Attaching to Shares

A summary of the rights attaching to Shares is set out below. The Shares will be rank *pari passu* in all respects with existing Shares. This summary is qualified by the full terms of Company's Constitution (a full copy of the Constitution is available from Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to shares in any specific circumstances, the Shareholder should seek legal advice.

The Company is proposing to adopt a new Constitution in accordance with section 136 of the Corporations Act following Shareholder approval to be sought at the General Meeting. The amendments to the new Constitution will not result in any material change to the rights and obligations of Shareholders detailed below and the terms of the Constitution summarised below..

#### (a) Voting

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

#### (b) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### (c) Dividends

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid on the Share is to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

#### (d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

#### (e) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(f) Variation of Rights

The Company may only modify or vary the rights attaching to any class of Shares with the prior approval by a special resolution of the holders of Shares in that class at a meeting of those holders, or with the written consent of the holders of at least three-fourths of the issued Shares of that class.

## 12.2 Other Key Terms of Constitution

(a) Directors

The minimum number of Directors is three (3). Currently, there are four (4) Directors. Directors must retire on a rotational basis so that one-third of Directors must retire at each annual general meeting. Any other Director who has been in office for three or more years must also retire. A retiring Director is eligible for re-election. The Directors may appoint a Director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual general meeting.

(b) Decisions of Directors

Questions arising at a meeting of Directors shall be decided by a majority of votes. A resolution passed by a majority of Directors shall for all purposes be deemed a determination of "the Directors".

(c) Issue of Further Shares

Subject to the Company's constitution, the Corporations Act and the Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting or return of capital.

(d) Alteration to the Constitution

The Company's constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least twenty eight (28) days' notice of the intention to propose the special resolution must be given.

## 12.3 Dividend Policy

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

## 12.4 Terms of the Lead Manager Options

Each Lead Manager Option will give the holder the right, but not the obligation, to subscribe for one ordinary fully paid Share in accordance with the terms set out below.

Each Lead Manager Option is exercisable on or prior to the date that is two years from the date of their issue (**Expiry Date**).

- (a) Any Lead Manager Options not exercised by 5:00pm WST on the Expiry Date will automatically lapse.
- (b) The exercise price, being the amount payable on exercise of a Lead Manager Option is 1.75 cents (pre-consolidation).
- (c) A Lead Manager Option may be exercised by the holder at any time and from time to time up until the Expiry Date subject to the holder giving the Company 3 business days' written notice of its intention to exercise a specified number of Lead Manager Options on a proposed exercise date, and:
  - (i) the Company must issue the Shares on the exercise date;
  - (ii) all Shares issued will be issued as fully paid and free from any securities, liens, charges, encumbrances, pre-emption and ranking in full for all voting rights, dividends and other distributions;
  - (iii) the Company must apply to the ASX for official quotation of the Shares at its own cost and as soon as practicable after the exercise of a Lead Manager Option; and
  - (iv) upon the quotation of the Shares issued pursuant to the exercise of the Lead Manager Options, the Company must give at the election of the holder, a CHES holding statement or issuer-sponsored holding statement in respect of the Shares.

- (d) There will be no participating entitlements inherent in the Lead Manager Options to participate in new issues of capital that may be offered to Shareholders during the currency of the Lead Manager Options unless the holder exercises the option before the record date for the issue. Prior to any new pro-rata issue of securities to shareholders, holders of Lead Manager Options will be notified by the Company in accordance with the requirements of the Listing Rules.
- (e) If the Company proceeds with a bonus issue of securities, the number of Shares over which the Lead Manager Options are exercisable shall be increased by the number of Shares that the option holders would have received if the Lead Manager Options had been exercised before the record date for the bonus issue.
- (f) In the event of a reconstruction, including the consolidation, subdivision, reduction or return of issued capital of the Company prior to the Expiry Date, all rights of a holder are to be changed in a manner consistent with the Listing Rules.
- (g) If there is a pro rata issue (other than a bonus issue), the exercise price of the Lead Manager Options shall be adjusted in the manner provided for in the ASX Listing Rules (including Listing Rule 6.22 as at the date of these option terms).
- (h) Other than as required or permitted under the Listing Rules, there is no right to a change in the exercise price of the Lead Manager Options or to the number of Shares over which the Lead Manager Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Lead Manager Options.
- (i) Shares allotted pursuant to an exercise of Lead Manager Options will rank, from the date of allotment, in all respects equally with existing Shares.
- (j) A Lead Manager Option does not confer any rights to dividends.
- (k) In accordance with the Listing Rules, the Company will apply for, and take all action necessary to procure, official quotation of all Shares issued and allotted pursuant to an exercise of Lead Manager Options immediately after the Company receives notice of the exercise of Options.
- (l) The Company must take all action necessary (including, without limitation, the issuance of a Cleansing Statement, the issuance of a prospectus under Chapter 6D of the Corporations Act or obtaining exemptions from or modifications to the Corporations Act from ASIC) to ensure that an offer of the Shares issued on exercise of a Lead Manager Option for sale will not require disclosure under section 707(3) of the Corporations Act.
- (m) The Lead Manager Options shall be freely assignable and transferable without the Company's consent, subject to the provisions of Chapter 6D of the Corporations Act.
- (n) The terms and conditions of the Lead Manager Options are governed by the laws of Western Australia.

## 12.5 Terms of the Existing Noteholder Options

Each Noteholder Option will give the holder the right, but not the obligation, to subscribe for one ordinary fully paid Share in accordance with the terms set out below.

Each Noteholder Option is exercisable on or prior to the date that is four years from the date of their issue (**Expiry Date**).

- (a) Any Noteholder Options not exercised by 5:00pm WST on the Expiry Date will automatically lapse.
- (b) The exercise price, being the amount payable on exercise of a Noteholder Option is 7.5 cents (pre-consolidation).
- (c) A Noteholder Option may be exercised by the holder at any time and from time to time up until the Expiry Date subject to the holder giving the Company 3 business days' written notice of its intention to exercise a specified number of Noteholder Options on a proposed exercise date, and:
  - (i) the Company must issue the Shares on the exercise date;
  - (ii) all Shares issued will be issued as fully paid and free from any securities, liens, charges, encumbrances, pre-emption and ranking in full for all voting rights, dividends and other distributions;
  - (iii) the Company must apply to the ASX for official quotation of the Shares at its own cost and as soon as practicable after the exercise of a Noteholder Option; and
  - (iv) upon the quotation of the Shares issued pursuant to the exercise of the Noteholder Options, the Company must give at the election of the holder, a CHES holding statement or issuer-sponsored holding statement in respect of the Shares.

- (d) There will be no participating entitlements inherent in the Noteholder Options to participate in new issues of capital that may be offered to Shareholders during the currency of the Noteholder Options unless the holder exercises the option before the record date for the issue. Prior to any new pro-rata issue of securities to shareholders, holders of Noteholder Options will be notified by the Company in accordance with the requirements of the Listing Rules.
- (e) If the Company proceeds with a bonus issue of securities, the number of Shares over which the Noteholder Options are exercisable shall be increased by the number of Shares that the option holders would have received if the Noteholder Options had been exercised before the record date for the bonus issue.
- (f) In the event of a reconstruction, including the consolidation, subdivision, reduction or return of issued capital of the Company prior to the Expiry Date, all rights of a holder are to be changed in a manner consistent with the Listing Rules.
- (g) If there is a pro rata issue (other than a bonus issue), the exercise price of the Noteholder Options shall be adjusted in the manner provided for in the ASX Listing Rules (including Listing Rule 6.22 as at the date of these option terms).
- (h) Other than as required or permitted under the Listing Rules, there is no right to a change in the exercise price of the Noteholder Options or to the number of Shares over which the Noteholder Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Noteholder Options.
- (i) Shares allotted pursuant to an exercise of Noteholder Options will rank, from the date of allotment, in all respects equally with existing Shares.
- (j) A Noteholder Option does not confer any rights to dividends.
- (k) In accordance with the Listing Rules, the Company will apply for, and take all action necessary to procure, official quotation of all Shares issued and allotted pursuant to an exercise of Noteholder Options immediately after the Company receives notice of the exercise of Options.
- (l) The Company must take all action necessary (including, without limitation, the issuance of a Cleansing Statement, the issuance of a prospectus under Chapter 6D of the Corporations Act or obtaining exemptions from or modifications to the Corporations Act from ASIC) to ensure that an offer of the Shares issued on exercise of a Noteholder Option for sale will not require disclosure under section 707(3) of the Corporations Act.
- (m) The Noteholder Options shall be freely assignable and transferable without the Company's consent, subject to the provisions of Chapter 6D of the Corporations Act.
- (n) The terms and conditions of the Noteholder Options are governed by the laws of Western Australia.

## 12.6 Employee Option Plan

In 2019, the Company amended its Employee Option Plan (**Plan**).

The Plan is designed to provide incentives to the employees and Directors of the Company and to recognise their contribution to the Company's success, through the granting of options and allocation of shares on exercise of those options.

The Company previously obtained Shareholder approval of its Plan at the 2017 Annual General Meeting on 30 November 2017 as reconvened on 19 December 2017. Since the last shareholder approval, no Options or Shares have been granted under the Plan.

The terms of the Plan are summarised below.

### (a) Eligible Participants

The eligible participants under the Plan are directors, senior executives, contractors, consultants and employees of the Company, related bodies corporate of the Company and any other company designated by the Board to be a group company for the purposes of the Plan (**Group Company**), who are invited by the Board to participate in the Plan (**Eligible Employee**).

### (b) Limits on Entitlement

Subject to limited exceptions, the Company must not grant Options under the Plan if, immediately afterwards, the sum of:

- (i) the number of shares in the same share class which would be issued if each unvested Option granted under the Plan (provided that such Option has not lapsed) or any other employee incentive plan of the Company were to vest and be exercised; and

- (ii) the number of shares in the same class issued during the previous five years under the Plan or any other employee incentive plan of the Company,

would exceed 5% of the total number of Shares on issue at the time of the proposed grant.

The maximum allocation and allocated pool may be increased the Board, provided such an increase complies with the Corporations Act, ASX Listing Rules and applicable ASIC Class Order requirements.

(c) Offer and Conditions

The Board must determine and advise each Eligible Employee at the time an Offer is made, of the following:

- (i) the number of Options the subject of the Offer (each entitling its holder to be issued one Share upon vesting and exercise of that Option);
- (ii) the expiry date;
- (iii) the grant date as determined by the Company, following receipt of the signed and completed Offer from the Eligible Employee by the Company;
- (iv) details of the applicable vesting date or dates;
- (v) the exercise price (if any);
- (vi) whether the vesting of the Options will be subject to a performance condition, and if so, details of the performance condition and its performance period; and
- (vii) any other information, terms or conditions the Company considers to be relevant to the Offer (including any post exercise restrictions on dealing with Shares granted to the participant under the Plan).

(d) Consideration Payable

Options are to be granted to Eligible Employees at a price the Board considers to be appropriate, as specified in the Offer (for the avoidance of doubt, including at no price if the Board considers it appropriate), and in any case must be for no more than nominal consideration.

(e) Option Terms

Each Option will entitle its holder to subscribe for and be issued, credited as fully paid, one Share (upon vesting and exercise of that Option).

The exercise price of an Option will be as determined by the Board (in its discretion) on or before the grant of the Options. The Board may grant an Eligible Employee zero exercise price options.

Shares issued on the exercise of Options will be issued on the same terms and conditions and rank equally in all respects as the existing Shares in the capital of the Company from the date of issue of those Shares, subject to the restrictions on transfer of the Shares as may be imposed by the Board. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of issue.

The Board may, in its absolute discretion, determine:

- (i) the time periods (if any) after which the Options granted will vest and the percentage of Options granted which will vest at each particular time; and
- (ii) any performance conditions which must be satisfied before the Options vest or are otherwise exercisable by the participant.

A participant may only transfer an Option granted under the Plan with the consent of the Board by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

If the Company offers a pro rata issue of securities to holders of Shares, the exercise price in respect of any unexercised Options may be adjusted in accordance with the adjustment formula for pro rata issues set out in the Listing Rules at the time when the Options were granted under this Plan.

If Shares are issued pro rata to the Company's shareholders generally by way of a bonus issue (other than an issue in lieu of dividends or by way of a dividend reinvestment) involving capitalisation of reserves or distributable profits, Options will be adjusted in the manner allowed or required by the ASX Listing Rules.

If there is a reconstruction or reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each participant is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

Options will not be listed for quotation on the ASX, however, the Company will apply for official quotation of the Shares issued upon the exercise of any vested Options to ASX and to each other stock exchange on which Shares are listed at that time.

(f) Lapse of Options

An unvested Option will immediately lapse upon the first to occur of:

- (i) 15 years after the date on which the Options were allocated to the participant, or any other date nominated as the expiry date in the offer;
- (ii) if the performance conditions associated with the Options are not satisfied prior to the end of any specified performance periods;
- (iii) the transfer or purported transfer of the Option in breach of the Plan;
- (iv) the day that is 30 days following the date the participant ceases to be employed or engaged by the Company or a Group Company by virtue of the participant resigning voluntarily and the participant has not recommenced employment with the Company or a Group Company before the expiration of those 30 days;
- (v) subject to the treatment outlined in section (g) below, the day which is 30 days following the date the participant ceases to be employed or engaged by the Company or a Group Company by reason of his or her death, disability, serious illness, bona fide redundancy, or any other reason with the approval of the Board and the participant has not recommenced employment with the Company or a Group Company before the expiration of those 30 days;
- (vi) termination of the participant's employment or engagement with the Company or a Group Company on the basis that the participant acted fraudulently, dishonestly, in breach of the participant's obligations or otherwise for cause; and
- (vii) the day which is six months after a change of control event under the Plan.

If an Option lapses, the Board must repay the price paid (if any) for the grant of the Option.

An Option which has vested but has not been exercised will immediately lapse upon the first to occur of:

- (i) close of business on the expiry date;
- (ii) the transfer or purported transfer of the Option in breach of the Plan;
- (iii) termination of the participant's employment or engagement with the Company or a Group Company on the basis that the participant acted fraudulently, dishonestly, in breach of the participant's obligations, committed an act, whether at work or otherwise, which could reasonably be regarded to have brought the Company or a Group Company into disrepute, or are convicted of an offence punishable by imprisonment, or otherwise for cause;
- (iv) the day which is six months after a change of control event under the Plan; and
- (v) the receipt by the Company of a notice in writing from a participant to the effect that the participant has elected to surrender the Option.

(g) Cessation of employment

Where a participant ceases to be employed or engaged by the Company or an Group Company by reason of his or her death, disability, serious illness, bona fide redundancy, or other reason with the approval of the Board, then:

- (i) if any of the participant's Options have vested but have not been exercised, they will remain exercisable by the participant's estate or legal representative who has been recognised by the Company as the holder of the participant's Options until the Options lapse;
- (ii) if any of the participant's Options have not vested, the Board will determine as soon as reasonably practicable after the date the participant ceases to be employed or engaged, how many (if any) of those participant's Options will be deemed to have vested; and
- (iii) to the extent to which the participant's Options:
  - (A) are deemed to have vested, they will be exercisable by that participant's estate or legal representative who has been recognised by the Company until the Options lapse; and

- (B) are not deemed to have vested, they will lapse immediately upon the Board making its determination.

The Board may specify in the offer to the participant how the participant's options will be treated on cessation of employment or engagement.

(h) Change of Control

The Board may declare that all or a specified number of any unvested Options granted to a Participant which have not lapsed immediately vest if, in the opinion of the Board:

- (i) a Change of Control has occurred, or is likely to occur; or
- (ii) any person or corporation has a relevant interest in more than 90% issued share capital of the Company; and
- (iii) the participant's pro-rata performance is in line with the performance conditions applicable to those Options (if any) during the period from the date of the grant of the Options to the date the Change of Control event occurred., the date the Board becomes aware that a Change of Control Event is likely to occur, or the date the person or corporation has a relevant interest in more than 90% of the Shares (as the case requires).

The Board may in its absolute discretion declare the vesting of an Option during such period as the Board determines where:

- (i) the Company passes a resolution for the voluntary winding up of the Company;
- (ii) an order is made for the compulsory winding up of the Company; or
- (iii) the Company passes a resolution in accordance with Listing Rule 11.2 to dispose of its main undertaking.

(i) Termination, Suspension or Amendment

The Board may suspend or terminate the Plan at any time, in which case the Company will not make any further grants of Options under the Plan during the suspended period or following termination. However, during the suspended period or following termination the Board will otherwise continue to administer the Plan in accordance with the Rules of the Plan until all Options have vested or lapsed.

(j) Disposal Restrictions on Shares

The Board may impose disposal restrictions on Shares issued under the Plan or acquired following the vesting of exercise of Options as a condition of any Offer. The Board may place a holding lock or similar arrangements on the Shares to give effect to the restrictions.

## 12.7 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Shares and Options which will be issued pursuant to this Prospectus, are in the same class as Shares (or in the case of Options the underlying Shares) that have been quoted on the official list of ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of securities on the 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, the 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. Potential 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 enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX

of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

The Company entered voluntary administration on 29 November 2018. The Company has lodged its audited financial report for the year ended 30 June 2018 and Annual Report but, as at the date of this Prospectus, is yet to hold an annual general meeting. The Company's annual general meeting is scheduled to be held on 7 June 2019.

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 Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of its annual report on 16 April 2019:

Date	Description of Announcement
16/04/2019	31 December 2018 Half Year Financial Report
16/04/2019	Change of Registered Office
16/04/2019	Final Director's Interest Notice - Amended
16/04/2019	Final Director's Interest Notice x 2
16/04/2019	Initial Directors Interest Notice x 3

## 12.8 Interests of Directors

Except as disclosed in this Prospectus, no Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director for services which he or she (or entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers.

## 12.9 Directors' Interests

Each Director's interest in the securities of the Company as at the date of this Prospectus is detailed in the table below.

Director	Shares	Options
Peter Mansell	Nil	Nil
David Quinlivan	Nil	Nil
Keith Jones	Nil	Nil
Mark Wheatley	Nil	Nil

Each Director's interest in the securities of the Company following the completion of the Offers is detailed in the table below, assuming that there are sufficient Shortfall Shares for the Underwriters to be allocated their underwriting commitment in full.

Director	Shares	Options
Peter Mansell <sup>1</sup>	25,000,000	Nil
David Quinlivan <sup>2</sup>	10,000,000	Nil
Keith Jones <sup>3</sup>	10,000,000	Nil

Notes:

- 1 Mr Peter Mansell, through his superannuation fund, has agreed to underwrite the Entitlement Offer for \$250,000.
- 2 Mr David Quinlivan has agreed to underwrite the Entitlement Offer for \$100,000.
- 3 Mr Keith Jones has agreed to underwrite the Entitlement Offer for \$100,000.

## 12.10 Directors' Remuneration

In accordance with the Constitution, the remuneration of non-executive Directors is to not exceed a fixed sum per annum. The current amount approved by Shareholders is \$500,000 per annum to be divided amongst themselves.

The Directors' remuneration is disclosed in the Company's annual reports. The Directors' annual remuneration (inclusive of superannuation and share based payments) in respect of the past two financial years is as follows:

Director	Title	Amount
Peter Mansell <sup>1</sup>	Non-executive Chairman	\$1,644
David Quinlivan <sup>2</sup>	Chief Executive Officer and Managing Director	Nil
Keith Jones <sup>3</sup>	Non-executive Director	Nil
Mark Wheatley <sup>4</sup>	Non-executive Director	Nil

Notes:

- 1 Peter Mansell was appointed to the Board on 22 June 2018.
- 2 David Quinlivan was appointed to the Board on 2 April 2019.
- 3 Keith Jones was appointed to the Board on 2 April 2019.
- 4 Mark Wheatley was appointed to the Board on 2 April 2019.

## 12.11 Interests of Other Persons

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in

which they are a partner or director) do not hold, have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offers, except as disclosed in this Prospectus and as follows:

- (d) Hartleys has acted as Lead Managers to the Capital Raising. In respect of this work the Company will pay approximately \$1.68 million. Hartleys will also be offered the Lead Manager Shares and Lead Manager Options pursuant to the Capital Raising. Hartleys has not provided any other professional services to the Company during the last two years.
- (e) BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Section 8 of this Prospectus. In respect of this work the Company will pay approximately \$25,000. BDO Corporate Finance (WA) Pty Ltd has acted as Independent Expert and has prepared the Independent Expert's Report which is included in the Notice of Meeting sent to Shareholders. In respect of this work the Company will pay approximately \$50,000. BDO has not provided any other professional services to the Company during the last two years.
- (f) CSA Global Pty Ltd has acted as Geologist and has prepared a Geologists Report which is included in Section 9 of this Prospectus. In respect of this work the Company will pay approximately \$100,000. During the two years before the date of this Prospectus, CSA Global Pty Ltd has not provided other professional services to the Company during the last two years.
- (g) DLA Piper has acted as the Australian legal adviser to the Company for the Offers and has prepared the solicitors report with respect to the Company's tenements which is included in Section 10 of this Prospectus. In respect of this work the Company will pay approximately \$400,000. DLA Piper has also provided the Company (in administration) with professional services of approximately \$500,000 during the last two years.

The amounts disclosed above are exclusive of GST.

## **12.12 Related Party Transactions**

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

## **12.13 Market Price of Shares**

The Company's Shares were suspended from trading on 25 July 2018 and currently remain in suspension. The last closing price of Shares on ASX was 11.5 cents on 25 July 2018.

The Directors note that trading price occurred prior to the Recapitalisation and the Directors make no forecast of any future trading in the Company's Shares or potential future trading prices.

## **12.14 Taxation Implications**

The acquisition and disposal of Securities will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the Securities.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities.

## **12.15 Litigation and Claims**

Except as disclosed in this Prospectus and so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

## 12.16 Consents

Each of the parties referred to in this Section 12.16:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC;
- (b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers;
- (c) makes no, and purports to have made no, statement in this Prospectus or on which a statement in this Prospectus is based except as set out in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

None of the parties referred to in this Section 12.16 authorised or caused the issue of this Prospectus or the making of the Offers.

Name	Role	Statement/Report
BDO Corporate Finance (WA) Pty Ltd	Investigating Accountant	Independent Limited Assurance Report in Section 8
CSA Global Pty Ltd	Independent Expert	Geological Report in Section 9
DLA Piper	Solicitors Report	Solicitor's Report on tenements in Section 10
DLA Piper	Solicitors to the Offers	Nil
Computershare Investor Services Pty Limited	Share Registry Services	Nil
Andrew Michael Smith	Deed Administrator	Nil
Martin Bruce Jones	Deed Administrator	Nil
Gordon Brothers	Independent Expert	Independent Limited Assurance Report in Section 8
Hartleys	Lead Manager	Nil

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

## 12.17 Documents Available for Inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Notice of Meeting; and
- (c) the Constitution.

## 12.18 Information Excluded from Continuous Disclosure Notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

## 12.19 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares offered under this Prospectus.

## 12.20 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic Application Form, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, ensure

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that you have received the entire Prospectus accompanied by the Application Form. If you have not, contact the Company and the Company will send to you, free of charge to you, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from an Applicant if it has reason to believe that when that Applicant was given access to the electronic Application Form, it was not provided together with an electronic copy of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be held by the Company on trust and returned (without interest) to the Applicant as soon as practicable.

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### 13. Authorisation

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:



David Quinlivan  
Chief Executive Officer and Managing Director

30 April 2019

## 14. Glossary

In this Prospectus, unless the context otherwise requires:

**Administrators** means Martin Bruce Jones and Andrew Michael Smith.

**Admitted Creditors** means any person with a claim which has been accepted, wholly or in part or contingently, by the Administrators, Deed Administrators, or the Trustees (as the case may be), but excluding:

- (a) Supporting Creditors;
- (b) Secured Creditors;
- (c) PPSR secured creditors; and
- (d) entities in the Group owed intercompany debts.

**Ancillary Shares** has the meaning given in Section 3.7(h).

**AGM** means the Company's annual general meeting, which is expected to be held on the same date as the General Meeting, or any adjournment of postponement thereof.

**Amended Electrical Supply Agreement** has the meaning given to that term in Section 11.9.

**Amended Mining Services Agreement** has the meaning given to that term in Section 11.11.

**Annual Report** means the annual report for the Company for the year ended 30 June 2018.

**Applicant** means a person who submits an Application Form.

**Application** means a valid application for Securities under an Offer made pursuant to an Application Form.

**Application Form** means an application form attached to or accompanying this Prospectus, and includes the:

- (a) Entitlement and Acceptance Form;
- (b) Lead Manager Application Form;
- (c) Noteholder Application Form;
- (d) Placement Application Form; and
- (e) Shortfall Application Form.

**Application Monies** means application monies for the Shares received by the Company from an Applicant.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691 and where the context permits, the market operated by it.

**ASX Waiver** has the meaning given to that term in Section 11.9.

**Board** means the board of Directors.

**Business Day** means Monday to Friday inclusive, excluding public holidays in Western Australia and any other day that ASX declares is not a trading day.

**Capital Raising** has the meaning given in Section 2.3.

**Change of Control** means:

- (a) in the case of a takeover bid, an offeror who previously had voting power of less than 50% in the Company obtains voting power of more than 50%;
- (b) a court approves under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (c) any person becomes bound or entitled to acquire shares in the Company under:
  - (i) section 414 of the Corporations Act (compulsory acquisition following a scheme or contract); or
  - (ii) Chapter 6A of the Corporations Act (compulsory acquisition of securities);
- (d) a selective capital reduction is approved by shareholders of the Company pursuant to section 256C(2) of the Corporations Act which results in a person who previously had voting power of less than 50% in the Company obtaining voting power of more than 50%; or

- (e) in any other case, a person obtains voting power in the Company which the Board (which for the avoidance of doubt will comprise those directors holding office immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

**CHES** means ASX Clearing House Electronic Subregistry System.

**Claim** means a debt payable by, or a claim against, an entity in the Group present or future, certain or contingent, ascertained or sounding only in damages or by way of fine or penalty, being debts or claims which arose before the Appointment Date or out of events or circumstances which occurred before the Appointment Date, regardless of whether the debt or claim arose before or after the Appointment Date, and irrespective of whether the debt or claim arose by virtue of contract, at law (including by statute) in equity or otherwise.

**Company** means Eastern Goldfields Limited ACN 100 038 266 (Subject to Deed of Company Arrangement and to be renamed Ora Banda Mining Limited).

**Conditions Precedent** has the meaning given in Section 2.3, unless the contrary intention appears.

**Consolidation** has the meaning given in Section 2.3.

**Constitution** means the constitution of the Company from time to time.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Creditors' Trust** means the trust established under the Creditors' Trust Deed.

**Creditors' Trust Deed** a deed under which the Deed Administrators are obliged to hold the Creditors' Trust Fund on certain trusts for the Admitted Creditors.

**Creditors' Trust Fund** means the trust fund under the Creditors' Trust Deed is to consist of an amount of \$7.3 million.

**Davyhurst Project** has the meaning given to that term in Section 2.3.

**Debt Repayment** has the meaning given to that term in Section 2.3.

**Deed Administrators** means Martin Bruce Jones and Andrew Michael Smith.

**Director** means a director of the Company.

**DLA Piper** means DLA Piper Australia.

**DOCA** has the meaning given in Section 11.1.

**Donald Smith** means Donald Smith Value Fund LP.

**Electrical Supply Agreement** has the meaning given to that term in Section 11.9.

**Eligible Employee** has the meaning given to that term in Section 12.6.

**Eligible Shareholders** means a person who:

- (a) is a Shareholder at 5:00pm (WST) on the Record Date; and
- (b) has a registered address recorded by the Share Registry as at the Record Date in Australia, New Zealand, Hong Kong, Singapore, UK and Canada.

**Entitlement** means a Shareholder's entitlement to subscribe for New Shares under the Entitlement Offer.

**Entitlement and Acceptance Form** means the acceptance form attached to, or accompanying this Prospectus, that sets out the entitlement of an Eligible Shareholder to subscribe for New Shares pursuant to the Entitlement Offer.

**Entitlement Offer** has the meaning given to that term in Section 3.1.

**Entitlement Offer Closing Date** is the date detailed in the Indicative Timetable.

**Entitlement Offer Opening Date** is the date detailed in the Indicative Timetable.

**Entitlement Shares** means the Shares issued pursuant to the Entitlement Offer.

**Executive Services Agreement** has the meaning given in Section 11.12(b).

**Existing Convertible Notes** means the convertible notes issued by the Company to the Secured Creditors.

**Existing Convertible Note Deeds** has the meaning given to that term in Section 11.2.

**Funding Period** has the meaning given to that term in Section 11.4.

**General Meeting** means the general meeting of Shareholders to be held on or around 7 June 2019, or any adjournment or postponement thereof.

**Group** means the following entities:

- (a) the Company;
- (b) Carnegie Gold Pty Ltd (Subject to DOCA) ACN 117 116 097;
- (c) Siberia Mining Corporation Pty Ltd (Subject to DOCA) ACN 097 650 194;
- (d) Mt Ida Gold Operations Pty Ltd (Subject to DOCA) ACN 124 706 627;
- (e) Ida Gold Operations Pty Ltd (Subject to DOCA) ACN 106 609 116;
- (f) Pilbara Metals Pty Ltd (Subject to DOCA) ACN 106 609 161;
- (g) Mt Ida Gold Pty Ltd (Subject to DOCA) ACN 106 608 986;
- (h) Siberia Gold Operations Pty Ltd (Subject to DOCA) ACN 106 609 170;
- (i) Monarch Nickel Pty Ltd (Subject to DOCA) ACN 085 971 400;
- (j) Eastern Goldfields Mining Services Pty Ltd (Subject to DOCA) ACN 617 977 447; and
- (k) Monarch Gold Pty Ltd (Subject to DOCA) ACN 080 401 716.

**Group Company** has the meaning given to that term in Section 12.6.

**Hawke's Point** means Hawke's Point Holdings I Limited, Hawke's Point Holdings II Limited and certain affiliated entities (subsidiaries of Tetragon Financial Group Ltd).

**Indemnity Deeds** has the meaning given to that term in Section 11.14.

**Indicative Timetable** means the indicative timetable on page 6 of this Prospectus.

**Lead Manager** means Hartleys Limited.

**Lead Manager Application Form** has the meaning given to that term in Section 3.4(b).

**Lead Manager Mandate** has the meaning given to that term in Section 11.5.

**Lead Manager Offer** has the meaning given to that term in Section 3.4.

**Lead Manager Options** means the Options issued pursuant to terms and conditions detailed in Section 12.4.

**Lead Manager Shares** has the meaning given to that term in Section 11.5.

**Listing Rules** means the official listing rules of ASX.

**Loan** has the meaning given to that term in Section 11.4.

**Material Contracts** has the meaning given to that term in Section 11.

**Mining Services Agreement** has the meaning given to that term in Section 11.11.

**New Convertible Notes** means the convertible notes issued by the Company on the terms detailed in Section 11.3 and as may be amended from time to time.

**New Share** means a Share offered pursuant to this Prospectus.

**New Convertible Note Deeds** has the meaning given to that term in Section 11.3.

**Noteholder Application Form** has the meaning given to that term in Section 3.5(b).

**Noteholder Offer** has the meaning given to that term in Section 3.5.

**Noteholder Options** has the meaning given to that term in Section 3.5.

**Notice of Meeting** means the notice of meeting for the General Meeting of the Company as amended or supplemented.

**Offers** means the:

- (a) Entitlement Offer;
- (b) Lead Manager Offer;
- (c) Noteholder Offer;
- (d) Placement Offer; and

(e) Shortfall Offer.

**Official List** means the official list of ASX.

**Official Quotation** means quotation of Securities on the official list of ASX.

**Option** means an option to acquire a Share, subject to its own terms and conditions.

**Optionholder** means a registered holder of an Option.

**Perennial** means National Nominees Ltd ANF Perennial Investment Management Ltd AREF Perennial Value Microcap Opportunities Fund.

**Placement Application Form** means the Application Form attached to, or accompanying this Prospectus, that allows investors to subscribe for New Shares pursuant to the Placement Offer.

**Placement Issue Date** is the date detailed in the Indicative Timetable.

**Placement Offer** has the meaning given to that term in Section 3.3.

**Placement Offer Closing Date** is the date detailed in the Indicative Timetable.

**Placement Shares** means the Shares issued pursuant to the Placement Offer.

**Plan** means the Company's employee option plan to be approved at the General Meeting of the Company and summarised in Section 12.6.

**Pre-Commitment Letter** has the meaning given to that term in Section 11.8.

**Prospectus** means this prospectus dated 30 April 2019, including any supplementary or replacement prospectus prepared by the Company.

**Recapitalisation** means the Offers and the Debt Repayment.

**Record Date** has the meaning given to that term in Section 3.1(c).

**Related Bodies Corporate** has the meaning given to that term in the Corporations Act.

**Section** means a section of this Prospectus.

**Secured Creditors** means Hawke's Point, Perennial, Wyllie Group and Donald Smith.

**Secured Hawke's Point Debt** means the debt owed by the Group to Hawke's Point pursuant to the Syndicated Facilities Agreement.

**Securities** means a Share or an Option.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Computershare Investor Services Pty Limited.

**Shareholder** means a registered holder of a Share.

**Shortfall Application Form** means the Application Form attached to, or accompanying this Prospectus, that allows investors to subscribe for New Shares pursuant to the Shortfall Offer.

**Shortfall Offer** has the meaning given to that term in Section 3.2.

**Shortfall Shares** means the Shares issued pursuant to the Shortfall Offer.

**Side Letter** has the meaning given to that term in Section 11.7.

**Supporting Creditors** means:

- (a) Aggreko Generator Rentals Pty Ltd;
- (b) GR Engineering Services Limited;
- (c) Pit N Portal Mining Services Pty Ltd;
- (d) Ralmana Pty Ltd as RJ Vincent & Co;
- (e) Squire Patton Boggs;
- (f) Seismic Drilling Services Pty Ltd;
- (g) Junile Nominees Pty Ltd trading as Red Dirt Personnel Group; and
- (h) Gilbert & Tobin.

**Security Trust Deed** has the meaning given to that term in Section 11.4.

**Statements** has the meaning given to that term in Section 4.3.

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**Subscription Agreement** has the meaning given to that term in Section 11.6.

**Supporting Creditors Debt** means the debt owned by the Group to the Supporting Creditors.

**Syndicated Facilities Agreement** has the meaning given to that term in Section 11.4.

**Term** has the meaning given to that term in Section 11.5.

**Trustees** has the meaning given to that term in Section 11.1.

**Underwriting Agreements** has the meaning given to that term in Section 3.11.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

**Wyllie Group** means Wyllie Group Pty Ltd.

# CORPORATE DIRECTORY

## **Directors**

Peter Mansell – Non-Executive Chairman

David Quinlivan – Chief Executive Officer & Managing Director

Keith Jones – Non-Executive Director

Mark Wheatley - Non-Executive Director

## **Company Secretary**

Tony Brazier

## **Registered Office**

Level 2

220 St Georges Terrace

Perth WA 6000

## **Stock Exchange Listing**

Australian Securities Exchange (ASX)

Current ASX Code: EGS

Proposed ASX Code (following change of name): OBM

## **Share Registry\***

Computershare Investor Services Pty Limited

Level 11

172 St Georges Terrace

Perth WA 6000

## **Lawyers**

DLA Piper Australia

Level 31, Central Park

152-158 St Georges Terrace

Perth WA 6000

## **Auditor\***

Ernst & Young

11 Mounts Bay Road

Perth WA 6000

## **Investigating Accountant**

BDO Audit (WA) Pty Ltd

38 Station Street

Subiaco WA 6008

## **Geologist**

CSA Global Pty Ltd

Level 2

3 Ord Street

West Perth WA 6005

\* This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

