



Eastern Goldfields Ltd

1 May 2019

Dear Shareholder

NON-RENOUCEABLE PRO RATA ENTITLEMENT OFFER

On 30 April 2019, Eastern Goldfields Limited (Subject to Deed of Company Arrangement and to be renamed Ora Banda Limited) (**Company**) announced that it would be offering shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise up to \$7.6 million (before costs) (**Offer**) on the basis of one fully paid ordinary share in the capital of the company for every one share held by eligible shareholders at the record date at an issue price of 1 cent per New Share.

Only shareholders with a registered address in Australia, New Zealand, Hong Kong, Singapore, United Kingdom and Canada will be eligible to participate in the Offer (**Eligible Shareholders**).

Assuming no options are exercised before the record date, up to 761,784,750 new Shares will be issued under the Offer. The Offer is non-renounceable so rights are not tradeable on the ASX. New Shares will rank equally with the Company's existing shares.

The Offer is being made pursuant to a prospectus lodged with the Australian Securities and Investment Commission and ASX Limited (**ASX**) on 30 April 2019 (**Prospectus**) which is available on the Company's website www.easterngoldfields.com.au and on the ASX website at www.asx.com.au.

Purpose of Offer

The Company has entered into a deed of company arrangement and will undertake a recapitalisation to restructure the Company's capital and asset base to allow the Company to be debt free, have sufficient working capital to undertake its exploration program and to facilitate the reinstatement of the Company's shares to trading on ASX. The recapitalisation will include a capital raising of not less than \$30 million and up to \$40 million (**Capital Raising**). The Capital Raising comprises:

- (a) the Offer;
- (b) an offer of shares not subscribed for under the Offer, which is available to existing Shareholders and new investors (**Shortfall Offer**);
- (c) an offering of 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 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 Limited as lead manager of the Capital Raising to provide corporate advice and capital raising services to ensure that the Company meets its capital requirements.

Indicative Timetable

The timetable for the Offer is as follows:

| Event | Indicative Date |
|--|-----------------|
| Despatch Prospectus and Notice of Meeting | 6 May 2019 |
| Entitlement Offer Opening Date New Convertible Note raising commences | 6 May 2019 |

| Event | Indicative Date |
|--|------------------------|
| 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 |
| Issue of Placement Shares | 11 June 2019 |
| Expected date for Shares to recommence trading on ASX | 19 June 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.

Shortfall

If Eligible Shareholders do not wish to take up any part of their entitlement they are not required to take any action. Eligible Shareholders may apply for any shortfall shares under the separate Shortfall Offer made pursuant to the Prospectus.

Prospectus

Details of the Offer are contained in the Prospectus. Eligible Shareholders should consider Prospectus carefully before deciding whether to participate in the Offer and consult with their professional advisors if they have any queries.

Yours faithfully



Peter Mansell
Non-Executive Chairman

1 May 2019

Dear Shareholder

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Ineligible Shareholders

The Company has determined that it would be unreasonable to extend participation in the Offer to shareholders who do not have a registered address in Australia, New Zealand, Hong Kong, Singapore, United Kingdom and Canada (**Ineligible Shareholders**) having regard to:

- (a) the number Ineligible Shareholders;
- (b) the number and value of the New Shares that would otherwise be offered to Ineligible Shareholders; and
- (c) the cost of complying with overseas legal and regulatory requirements.

Unfortunately, according to our records, you do not satisfy the criteria for an Eligible Shareholder, accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, the Company wishes to advise that it is unable to extend to you the opportunity to participate in the Offer. If our records are incorrect on this matter, please contact the Company Secretary on +61 (08) 6241 1866. You will not be sent a Prospectus or be able to subscribe for New Shares under the Offer.

Yours faithfully



Peter Mansell
Non-Executive Chairman