

# **GOLDEN EAGLE MINING LTD**

## **ACN 145 676 900**

---

## **SECOND SUPPLEMENTARY PROSPECTUS**

---

### **IMPORTANT INFORMATION**

This second supplementary prospectus (**Second Supplementary Prospectus**) intended to be read with the replacement prospectus dated 3 August 2015 and first supplementary prospectus dated 19 October 2015 (**Replacement Prospectus**), issued by Golden Eagle Mining Ltd (ACN 145 676 900) (**Company**). The Replacement Prospectus replaced the original prospectus issued by the Company on 20 July 2015.

This Second Supplementary Prospectus is dated 30 November 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Second Supplementary Prospectus.

Other than as set out below, all details in relation to the Replacement Prospectus remain unchanged. Terms and abbreviations defined in the Replacement Prospectus have the same meaning in this Second Supplementary Prospectus. If there is a conflict between the Replacement Prospectus and this Second Supplementary Prospectus, this Second Supplementary Prospectus will prevail.

This Second Supplementary Prospectus will be issued with the Replacement Prospectus as an electronic prospectus and may be accessed on the Company's website at [www.goldeneaglemining.com](http://www.goldeneaglemining.com). The Company will send a copy of this Second Supplementary Prospectus to all applicants who have subscribed for Shares pursuant to the Replacement Prospectus prior to the date of this Second Supplementary Prospectus.

Under the Corporations Act, the Company has an obligation to update a disclosure document if it becomes aware of new information that is material to investors. This Second Supplementary Prospectus has been prepared to provide additional information to investors on items that the Company considers may be material. As such, this is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

---

**This Second Supplementary Prospectus is intended to be read with the Replacement Prospectus dated 3 August 2015 and first supplementary prospectus dated 19 October 2015 issued by Golden Eagle Mining Ltd (ACN 145 676 900).**

---

---

## 1. REASONS FOR THIS SECOND SUPPLEMENTARY PROSPECTUS

The purpose of this Second Supplementary Prospectus is to:

- (a) extend the Closing Date of the Offer;
- (b) provide an update on a number of items which the Board considers material; and
- (c) provide an updated Investigating Accountant's Report in Section 9 of the Replacement Prospectus.

---

## 2. EXTENSION OF CLOSING DATE

The Closing Date for the Offer has been extended to 5:00pm (WST) on 8 January 2016. The remaining dates in the indicative timetable set out in section 4 of the Replacement Prospectus are amended as follows:

Event	Date
Shares issued under Prospectus	12 January 2016
Despatch of holding statements	13 January 2016
Shares commence trading in ASX	19 January 2016

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice which may have a consequential effect on the other events in the indicative timetable.

---

## 3. ISSUE OF ADDITIONAL SEED CAPITAL

### 3.1 Background

The Company has issued an additional 4,523,000 Shares, at an issue price of \$0.10 per Share, to seed capital investors that are exempt under Section 708 of the Corporations Act, to raise a further \$452,300 before costs to cover working capital and additional costs of the IPO process.

### 3.2 Revised Capital Structure

The Company's capital structure on completion of the Offer has changed due to the issue of additional Shares since the date of issue of the Replacement Prospectus.

The original capital structure table set out in Sections 4 and 5.11 of the Replacement Prospectus are to be replaced with the following:

Shares	Minimum Subscription (\$4,400,000)	% of total Shares	Maximum Subscription (\$4,500,000)	% of total Shares
Existing Shares <sup>1</sup>	46,824,701	57.91%	46,824,701	57.56%
Shares to be issued under the Offer <sup>2</sup>	22,000,000	27.21%	22,500,000	27.66%

---

This Second Supplementary Prospectus is intended to be read with the Replacement Prospectus dated 3 August 2015 and first supplementary prospectus dated 19 October 2015 issued by Golden Eagle Mining Ltd (ACN 145 676 900).

Shares to be issued under the Chitty/Devant Syndicate Offer <sup>3</sup>	5,830,595	7.21%	5,830,595	7.17%
Shares to be issued to Charles Chitty <sup>4</sup>	5,000,100	6.18%	5,000,100	6.15%
Shares to be issued to Raptor and DRP <sup>5</sup>	1,000,000	1.24%	1,000,000	1.23%
Shares to be issued to Paradigm <sup>6</sup>	200,000	0.25%	200,000	0.25%
<b>Total on completion of Offer</b>	<b>80,855,396</b>	<b>100%</b>	<b>81,355,396</b>	<b>100%</b>
<b>Performance Rights</b>	<b>Minimum Subscription (\$4,400,000)</b>	<b>% of total Shares</b>	<b>Maximum Subscription (\$4,500,000)</b>	<b>% of total Shares</b>
Performance Rights on issue <sup>7</sup>	1,200,000	100%	1,200,000	100%
Performance Rights to be issued under the Offer	Nil	0%	Nil	0%
<b>Total on completion of the Offer</b>	<b>1,200,000</b>	<b>100%</b>	<b>1,200,000</b>	<b>100%</b>

**Notes:**

1. Certain of the Shares currently on issue may be subject to ASX escrow provisions restricting their transferability as set out in Section 6.3 of the Replacement Prospectus.
2. Shares issued under the Replacement Prospectus will rank equally with the existing Shares on issue. The key rights attaching to the Shares are summarised at section 13.1 of the Replacement Prospectus.
3. Under the terms of the Devant/Chitty Option Agreement, the Company has agreed to issue to the Chitty/Devant Syndicate that number of Shares equivalent to the debt owed to each Chitty/Devant Syndicate (each Share being at a value of \$0.20 per Share).
4. These Shares will be issued as deferred consideration under the terms of the Devant/Chitty Option Agreement which is summarised at Section 12.1 of the Replacement Prospectus.
5. These Shares are to be issued to Raptor and DRP under the terms of the Mandate Agreement summarised at Section 12.6 of the Replacement Prospectus. The Company is also required to issue an additional 1,000,000 Shares to Raptor and DRP on the date that is 12 months after the Company lists on ASX.
6. These Shares are to be issued to Paradigm under the terms of the Paradigm Broker Mandate summarised at Section 5.2 of this Second Supplementary Prospectus.
7. This includes 1,200,000 Performance Rights to be issued to Stewart Brown, Paul Jago and Shaun Melville under the Company's Performance Rights Plan set out in Section 13.3 of the Replacement Prospectus.

### 3.3 Revised Use of Funds

The Company's use of funds has changed in accordance with the additional funds received from the issue of Shares as noted in Section 3.1 of this Second Supplementary Prospectus.

The original use of funds table set out in Section 5.10 of the Replacement Prospectus is replaced with the following:

---

**This Second Supplementary Prospectus is intended to be read with the Replacement Prospectus dated 3 August 2015 and first supplementary prospectus dated 19 October 2015 issued by Golden Eagle Mining Ltd (ACN 145 676 900).**

<b>Funds available</b>	<b>Minimum Subscription (\$) (\$4,400,000)</b>	<b>% of Funds</b>	<b>Maximum Subscription (\$) (\$4,500,000)</b>	<b>% of Funds</b>
Funds raised from the Offer	4,400,000		4,500,000	
<b>Allocation of funds</b>				
Expenses of the Offer <sup>1</sup>	344,450	7.8%	350,600	7.8%
Exploration Expenditure <sup>2</sup>	1,985,000	45.1%	1,985,000	44.1%
Acquisition of Projects <sup>3</sup>	270,000	6.1%	270,000	6.0%
Repayment of Debt <sup>4</sup>	871,373	19.8%	871,373	19.4%
Working capital expenditure <sup>5</sup>	929,177	21.1%	1,023,027	22.7%
<b>Total</b>	<b>4,400,000</b>	<b>100%</b>	<b>4,500,000</b>	<b>100%</b>

**Notes:**

1. Refer to Section 3.4 of this Second Supplementary Prospectus for further details. This assumes the Company pays a capital raising fee or commission of 6% on all moneys raised. The Company has already paid \$120,000 of the costs, which has been deducted from the amounts set out in Section 3.4 of this Second Supplementary Prospectus.
2. Assumes that the project expenditure will be allocated to the projects according to the exploration budget set out in Section 10 of the Replacement Prospectus.
3. This includes a consideration payment of approximately \$190,000 to Charles Chitty and Devant, payment of \$20,000 to certain members of the Chitty/Devant Syndicate and estimated stamp duty of \$60,000. For further details refer to the summary of the Devant/Devant Option Agreement summarised at Section 12.1 of the Replacement Prospectus.
4. This includes a \$25,000 payment to Rand in consideration for the waiver if Rand's First Right of Refusal to purchase M15/901, repayment of \$120,000 under the Rand Tribune Loan, and repayment of \$726,373 in trade creditors of the Company and an unrelated party loan. For details of the First Right of Refusal and Rand Tribune refer to Section 12.4 of the Replacement Prospectus for further details. Details of trade creditors are set out in the Investigating Accountant's Report in Annexure A of this Second Supplementary Prospectus.
5. The amount available as working capital will be applied to costs associated with the review and assessment of new project opportunities and where appropriate, accelerated expenditure on our current projects.

### **3.4 Revised Expenses of the Offer**

The Company's expenses of the Offer have changed in accordance with the additional issue of Shares (for which quotation on ASX will be sought) as noted in Section 3.1 of this Second Supplementary Prospectus.

The original expenses of the Offer table set out in section 13.10 of the Replacement Prospectus is replaced with the following:

"All expenses connected with this Prospectus payable by us are estimated to be approximately \$464,491 at minimum subscription and \$470,591 at full subscription (includes full Oversubscriptions) (exclusive of GST). These expenses are expected to be applied towards the items set out in the table below.

<b>Item of Expenditure</b>	<b>Minimum Subscription (\$)</b>	<b>Full Subscription (\$)</b>
ASIC fees	2,320	2,320
ASX fees	71,171	71,271
Lead Manager Commissions	264,000	270,000
Legal Fees	90,000	90,000
Independent Geologist's Fees	10,000	10,000
Investigating Accountant's Fees	10,000	10,000
Printing and Distribution	15,000	15,000
Miscellaneous	2,000	2,000
<b>TOTAL*</b>	<b>464,491</b>	<b>470,591</b>

\* \$120,000 of these expenses has already been paid by the Company out of existing cash reserves.

### 3.5 Interests in Securities

Director Bradd Granville's interests in the securities of the Company have increased.

Accordingly, the relevant interest of Bradd Granville in the securities of the Company as set out in Sections 4 and 8.3 of the Replacement Prospectus are updated as follows:

<b>Director</b>	<b>Shares</b>	<b>Performance Rights</b>
Bradd Granville	1,784,877 <sup>1</sup>	nil

**Notes:**

1. This includes 396,005 Shares directly by Bradd Granville directly, 555,538 Shares held in a family trust account and 833,334 Shares held by Bradd Granville's spouse.

## 4. APPOINTMENT OF CO LEAD MANAGER

The Company has appointed Paradigm Security Pty Ltd (**Paradigm**) to act as co-lead manager of the Offer. Paradigm has also assisted with the raising of additional seed funds as noted in section 3 above.

Section 1 of the Replacement Prospectus is amended by inserting the following:

**"Co-Lead Manager**

Paradigm Securities Pty Ltd  
Level 2, 1 Alfred Street  
Sydney NSW 2000  
Corporate Authorised Representative under AFSL 291 787"

The row in Section 4 of the Replacement Prospectus entitled "Are there arrangements with brokers?" is amended by deleting the last paragraph of the response and replacing it with the following:

**This Second Supplementary Prospectus is intended to be read with the Replacement Prospectus dated 3 August 2015 and first supplementary prospectus dated 19 October 2015 issued by Golden Eagle Mining Ltd (ACN 145 676 900).**

"The Company has also engaged Paradigm Securities to act as co-lead manager of the Offer. The mandate agreement with Paradigm Securities is summarised in Section 12.7 of this Prospectus."

Section 5.9 of the Replacement Prospectus is amended by deleting the last paragraph and inserting the following:

"The Company has entered into a mandate agreement with Paradigm under which Paradigm has agreed to act as co-lead manager for the Offer and to provide corporate advisory services. The Company has agreed to pay Paradigm certain fees, as detailed in section 12.7 of this Prospectus."

Section 13.8 of the Replacement Prospectus is amended to include the following at the end of that section:

"Paradigm is acting as co-lead manager to the Offer. The Company estimates it will pay Paradigm the fees set out in section 12.7 for these services. The Company has been paid fees of approximately \$15,000 for services to the Company in the 2 years prior to the date of this Prospectus."

Section 13.9 of the Replacement Prospectus is amended to include the following at the end of that section:

"(g) Paradigm Securities has consented to being named as the co-lead manager of the Offer in this Prospectus. Paradigm Securities has not withdrawn its consent as at the date of the Prospectus."

---

## 5. MATERIAL CONTRACTS

### 5.1 Deed of Variation of Devant/Chitty Tenement Option Agreement

Section 12.1 of the Replacement Prospectus is amended by inserting the following at the end of that section:

"On 21 August 2015, the Company, Devant Pty Ltd (ACN 009 135 568) (**Devant**) and Charles Chitty (together the **Grantors**) entered into a sixth deed of variation (**Sixth Variation**) pursuant to which the parties agreed to further vary the terms of the option agreement between the Company and the Grantors dated 24 February 2012, as summarised in Section 12.1 of the Replacement Prospectus (**Option Agreement**).

Under the Sixth Variation, the Company and the Grantors have agreed to vary the Option Agreement to extend the date by which the Deferred Consideration must be paid has been extended to be the earlier to occur of:

- (a) the date that is 2 business days after the ASX grants conditional approval for the quotation of Shares on the Official List (on terms acceptable to the Grantors) (**Listing Condition**); and
- (b) 28 February 2016 (or such later date as agreed by the parties).

As consideration for the extension of the End Date from 31 August 2015 to 28 February 2016, the Company has paid Devant a non-refundable amount of \$31,500 (plus GST) and must pay Devant a further \$31,500 (plus GST) by 6 December 2015."

---

**This Second Supplementary Prospectus is intended to be read with the Replacement Prospectus dated 3 August 2015 and first supplementary prospectus dated 19 October 2015 issued by Golden Eagle Mining Ltd (ACN 145 676 900).**

## 5.2 Broker Mandate – Paradigm Securities Pty Ltd

A new Section 12.7 of the Replacement Prospectus is inserted as follows.

### “12.7 Paradigm Mandate

On 8 November 2015, the Company entered into a mandate agreement with Paradigm Securities Pty Ltd (**Paradigm**) pursuant to which the Company has engaged Paradigm to act as corporate advisor to the Company, co-lead manager to a seed capital raising of up to \$300,000 (**Seed Raising**) and co-lead manager of the Offer. In addition, Paradigm shall continue to provide ad-hoc corporate advisory services for a period of 12 months following the Company's listing on ASX (**Paradigm Broker Mandate**).

In consideration for the services provided by Paradigm, the Company has agreed to pay to Paradigm:

- (a) a pre-IPO management and selling fee of 6% (plus GST) of the funds/investment commitments raised by Paradigm in the Seed Raising;
- (b) \$20,000 (plus GST) to be named in this Prospectus;
- (c) an IPO advisory retainer of \$5,000 per month (plus GST) for a maximum of three months, commencing 30 days after the date of allotment of Shares under the Seed Raising up until the listing of the Company on ASX;
- (d) an IPO management and selling fee, comprising:
  - (i) an IPO management fee of 1% (plus GST) of all funds raised under the Offer with the exception of applications carrying the AFSL of Raptor; and
  - (ii) an IPO selling fee of 5% (plus GST, where applicable) on funds raised by Paradigm under the Offer, with the exception of applications carrying the AFSL of Raptor;
- (e) an IPO success fee of 200,000 Shares upon the Company listing on ASX; and
- (f) a corporate advisory fee of \$5,000 (plus GST) per month for the 12 months following the Company listing on ASX.

Paradigm may, by notice in writing to the Company, terminate the Paradigm Broker Mandate at any time, if one or more of the following occur before the Company's shares are admitted to the Official List of the ASX:

- (a) Paradigm forms a view that it is unlikely Paradigm will be able to raise the minimum amount planned to be raised in the seed capital raising or Offer;
- (b) the Company breaches any of the terms and conditions of the Paradigm Broker Mandate and has not remedied the breach as soon as reasonably possible after being served with a written notice of breach by Paradigm;



- (c) there is any material adverse change, or development involving a prospective material adverse change, in the condition or financial or trading position of the Company or any of its related bodies corporate;
- (d) the Company commits a material breach of the ASX Listing Rules or fails to comply with its continuous disclosure obligations under the Corporations Act or ASX Listing Rules<sup>1</sup> or
- (e) ASIC issues, or threatens to issue, proceedings in relation to the documentation or commences an investigation of a suspected contravention of the Corporations Act in relation to the Offer.

The Company provide written notice to Paradigm to terminate the Paradigm Broker Mandate at any time if Paradigm is in breach of any of its obligations under the mandate.

During the Offer period, and for a period of six months commencing on the closing date of the Offer, the Company has agreed not to offer, sell or market, contract to sell or otherwise dispose of or announce the sale of any shares in the Company or other securities without the prior written consent of Paradigm, not to be unreasonably withheld."

### **5.3 Gekogold Tenement Sale Agreement**

The Company has agreed with Gekogold to vary the Tenement Sale Agreement, as described in section 12.1 of the Replacement Prospectus, so that the tenements may now be transferred to the Company no later than 28 February 2016.

### **5.4 Rand Tribune Loan Acknowledgement Deed**

The Company has agreed with Rand, Tribune, Devant and Charles Chitty that the Repayment Date under the Rand Tribune Loan Acknowledgement Deed, as described in Section 12.1 of the Replacement Prospectus, is extended to 28 February 2016 or such later date as agreed by the parties.

---

## **6. UPDATED INVESTIGATING ACCOUNTANT'S REPORT**

Since lodgement of the Replacement Prospectus, the Company has prepared, and Moore Stephens Perth (**Moore Stephens**) has audited, the Company's financial statements for the period ended 30 June 2015.

Further, as detailed in Section 2 of this Second Supplementary Prospectus, the Company has issued a further 4,523,000 Shares as seed capital to raise a further \$452,300 to cover working capital and additional costs of the IPO process, and has incurred additional working capital expenses.

Accordingly, Section 9 of the Replacement Prospectus is amended by replacing the Investigating Accountant's Report with the Updated Investigating Accountant's Report included as Annexure A to this Second Supplementary Prospectus.

Moore Stephens Perth Corporate Services Pty Ltd (**Moore Stephens**) has given its written consent to being named as the Investigating Accountant to the Company in this Second Supplementary Prospectus and to the inclusion of the

---

**This Second Supplementary Prospectus is intended to be read with the Replacement Prospectus dated 3 August 2015 and first supplementary prospectus dated 19 October 2015 issued by Golden Eagle Mining Ltd (ACN 145 676 900).**



Updated Investigating Accountant's Report in Annexure A and all statements referring to or based on the Updated Investigating Accountant's Report in this Second Supplementary Prospectus in the form and context in which the report is included. Moore Stephens has not caused or authorised the issue of this Second Supplementary Prospectus and has not withdrawn its consent prior to lodgement of this Second Supplementary Prospectus with ASIC.

---

## **7. APPLICATIONS**

### **7.1 Withdrawal of previous Applications**

In accordance with Section 724(2) of the Corporations Act, if you applied for Shares under the Replacement Prospectus before the date of this Second Supplementary Prospectus, you may withdraw your Application and be repaid your Application Money, provided you give the Company written notice of your wish to do so before 30 December 2015.

Any repayments made by the Company pursuant to an Applicant exercising their right to withdraw their Application will be made in full without interest.

An Applicant who wishes to withdraw their application and obtain a refund must submit a written request to the Company at the address set out below so that it is received within 1 month of the date of this Second Supplementary Prospectus (i.e. **by close of business on 30 December 2015**).

**Golden Eagle Mining Ltd  
C/- Advanced Share Registry Ltd  
Unit 2, 110 Stirling Hwy  
Nedlands WA 6009**

The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in the Application Form lodged by that Applicant.

If you do not wish to withdraw your Application, you do not need to take any action.

### **7.2 New Applications**

Applications for Shares after the date of this Second Supplementary Prospectus **must** be made using the Application Form attached to or accompanying this Second Supplementary Prospectus. The Application Form contains detailed instructions on how it is to be completed. Applications after the date of this Second Supplementary Prospectus **must not** be made on the Application Form attached to or accompanying the Replacement Prospectus.

---

## **8. DIRECTORS' AUTHORISATION**

This Second Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Second Supplementary Prospectus with the ASIC.

---

**This Second Supplementary Prospectus is intended to be read with the Replacement Prospectus dated 3 August 2015 and first supplementary prospectus dated 19 October 2015 issued by Golden Eagle Mining Ltd (ACN 145 676 900).**

---

**Bradd Granville**  
**Managing Director**  
**For and on behalf of**  
**Golden Eagle Mining Ltd**

---

**This Second Supplementary Prospectus is intended to be read with the Replacement Prospectus dated 3 August 2015 and first supplementary prospectus dated 19 October 2015 issued by Golden Eagle Mining Ltd (ACN 145 676 900).**

---

**ANNEXURE A – UPDATED INVESTIGATING ACCOUNTANT'S REPORT**

---

Level 3, 12 St Georges Terrace  
Perth WA 6000

PO Box 5785, St Georges Terrace  
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

[www.moorestephens.com.au](http://www.moorestephens.com.au)

30 November 2015

The Directors  
Golden Eagle Mining Limited  
PO Box 2006  
SUBIACO WA 6904

Dear Directors

## INVESTIGATING ACCOUNTANT'S REPORT

### 1. Introduction

This report has been prepared at the request of the Directors' of Golden Eagle Mining Limited ("Golden Eagle" or "the Company") for inclusion in the Second Supplementary Prospectus dated on or around 30 November 2015. This report should be read in conjunction with the Replacement Prospectus dated 3 August 2015 and the supplementary prospectus dated 19 October 2015 ("First Supplementary Prospectus") issued by the Company.

Pursuant to the Replacement Prospectus, the Company is offering for subscription a total of up to 22,500,000 ordinary shares at an issue price of \$0.20 (20 cents per share), payable in full on application to raise up to \$4,500,000, with a minimum level of subscription of 22,000,000 ordinary shares (\$4,400,000). This includes over subscriptions of up to 500,000 ordinary shares at an issue price of \$0.20, which the Company may accept at its discretion. The Company also intends to offer a bonus issue of one free Loyalty Option for every two shares held by shareholders registered as holders approximately three months after admission to the official list of the Australian Securities Exchange Limited ("Capital Raising" or the "Offer").

The Replacement Prospectus also includes an offer of up to 5,830,595 ordinary shares to be issued to the Chitty Creditors or a trustee of the Chitty Creditors as outlined at Section 5.2 of the Replacement Prospectus.

Upon completion of the Capital Raising, the Company will apply for admission of the Company's shares to the official list of the Australian Securities Exchange Limited ("ASX").

Expressions defined in the Replacement Prospectus have the same meaning in this report.

### 2. Basis of Preparation

This report has been prepared to provide investors with information in relation to historical and pro-forma financial information of Golden Eagle as at 30 June 2015 and for the four years then ended.

The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the Corporations Act 2001.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Stephens Perth Corporate Services Pty Ltd has not been requested to consider the prospects for Golden Eagle nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently Moore Stephens Perth Corporate Services Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Replacement Prospectus, First Supplementary Prospectus or Second Supplementary Prospectus, other than responsibility for this report.

### 3. Background

Golden Eagle is an Australian public Company which was incorporated in Western Australia on 9 August 2010. Since incorporation the activities undertaken by the Company have comprised undertaking a number of capital raisings in order to fund the acquisition of resource projects (tenements) and exploration and evaluation activities in relation to those projects.

Golden Eagle's proposed capital structure following completion of the Capital Raising (assuming the minimum Capital Raising of \$4,400,000) is as follows;

Fully paid ordinary shares on issue at 30 June 2015	40,576,701
Shares issued to pre IPO investors since 1 July 2015	6,248,000
Shares to be issued pursuant to the Prospectus (assuming \$4,400,000 is raised)	22,000,000
Shares to be issued to settle tenement acquisition costs	10,830,695
Shares to be issued as consideration for corporate advisory services	1,200,000
Total shares on issue at completion	<hr/> <u>80,855,396</u>

Further information about the Company and its future plans can be found in other sections of the Replacement Prospectus.

### 4. Scope of Report

You have requested Moore Stephens Perth Corporate Services Pty Ltd to prepare an Investigating Accountant's Report on:

- a) The Statement of Profit or Loss and Other Comprehensive Income of Golden Eagle for the four years ended 30 June 2015.
- b) The Statement of Financial Position of Golden Eagle as at 30 June 2015.
- c) The pro-forma Statement of Financial Position of Golden Eagle as at 30 June 2015 adjusted to include funds to be raised pursuant to the Replacement Prospectus (assuming the minimum capital raising of \$4,400,000) and the completion of certain other transactions, as disclosed in this report.

### 5. Scope of Review

#### *Sources of information*

The historical financial information has been extracted from the audited financial statements of the Company for the four years ended 30 June 2015.

The financial statements of the Company for the four years ended 30 June 2015 were audited by Moore Stephens Perth.

#### *Management's Responsibilities*

The Directors of Golden Eagle are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions.

#### *Our Responsibilities*

We have conducted our review of the historical financial information in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered the requirements of ASAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used to compile the pro-forma financial information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the pro-forma financial information, or the pro-forma information itself.

The purpose of the compilation of the pro-forma information is solely to illustrate the impact of the proposed Capital Raising and related transactions on unadjusted financial information of the Company as if the event had occurred at an earlier date selected for purposes of the illustration. Accordingly we do not provide any assurance that the actual outcome of the proposed Capital Raising and related transactions would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a) a review of contractual arrangements;
- b) a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
- c) a review of work papers of the auditor of Golden Eagle, including making enquiries of the auditor, to the extent considered necessary.
- d) a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by the Company;
- e) a review of the assumptions used to compile the pro-forma Statement of Financial Position; and
- f) enquiry of directors, management and advisors of Golden Eagle.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

These procedures have been undertaken to form an opinion as to whether we have become aware, in all material respects, that the historical financial information set out in Appendix 1 to 3 does not present fairly, in accordance with Australian Accounting Standards and the accounting policies adopted by the Company, a view which is consistent with our understanding of the financial position and pro-forma financial position of the Company as at 30 June 2015 and of its financial results for the four years ended 30 June 2015.

#### *Historical and Pro-Forma Financial Information*

The Statements of Profit or Loss and Other Comprehensive Income of Golden Eagle for the four years ended 30 June 2015 are included at Appendix 1. The Statements of Profit or Loss and Other Comprehensive Income for the four years ended 30 June 2015 are presented without adjustment.

The Statement of Financial Position as at 30 June 2015 of the Company is included in Appendix 2. Also included in Appendix 2 is the pro-forma Statement of Financial Position of the Company which incorporates the Statement of Financial Position as at 30 June 2015, adjusted on the basis of the completion of the proposed minimum Capital Raising of \$4,400,000 and the completion of certain other transactions as disclosed in this report. Details of these transactions are set out in Note 3 of Appendix 3.

## **6. Valuation of Interests in Exploration and Mining Tenements**

The principal assets of Golden Eagle, post ASX listing and subject to meeting minimum expenditure requirements, in addition to cash and cash equivalents, will be its interests in exploration and mining tenements, comprising tenement acquisition and exploration costs.

The interests in exploration and mining tenements have been included at nil cost in the Statement of Financial Position as at 30 June 2015, which is in accordance with the accounting policy adopted for such assets by the Company. We have not performed our own valuations of the tenements and do not express a view on whether the carrying values of the tenements are fairly stated. The value of the tenements may rise or fall depending on future exploration results and world prices for minerals being sought.

## **7. Opinion**

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The Statements of Profit or Loss and Other Comprehensive Income of the Company for the four years ended 30 June 2015, as set out in Appendix 1, do not present fairly the results for the four years then ended in accordance with the accounting methodologies required by Australian Accounting Standards;
- The Statement of Financial Position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company as at 30 June 2015 in accordance with the accounting methodologies required by Australian Accounting Standards.
- The pro-forma Statement of Financial Position of the Company, as set out in Appendix 2, does not present fairly the assets and liabilities of the Company, as at 30 June 2015 in accordance with the accounting methodologies required by Australian Accounting Standards and on the basis of assumptions and transactions set out in Note 3 of Appendix 3.

## **8. Subsequent Events**

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2015 not otherwise disclosed in this report, the Replacement Prospectus, the First Supplementary Prospectus or the Second Supplementary Prospectus, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

## **9. Other Matters**

Moore Stephens Perth Corporate Services Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion on this matter.

Moore Stephens Perth, a related practice entity, currently acts as auditor of the Company.

Moore Stephens Perth Corporate Services Pty Ltd will receive a professional fee for the preparation of this Investigating Accountant's Report.

Moore Stephens Perth Corporate Services Pty Ltd were not involved in the preparation of any other part of the Second Supplementary Prospectus and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Second Supplementary Prospectus.

Moore Stephens Perth Corporate Services Pty Ltd consents to the inclusion of this report in the Second Supplementary Prospectus in the form and context in which it is included. At the date of this report, this consent has not been withdrawn.



Yours faithfully



Neil Pace  
Director  
Moore Stephens Perth Corporate Services Pty Ltd

## GOLDEN EAGLE MINING LIMITED

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Summarised below is the Company's Statements of Profit or Loss and Other Comprehensive Income for the four years ended 30 June 2015. The results for the four years to 30 June 2015 are audited.

	Actual 30 June 2012	Actual 30 June 2013	Actual 30 June 2014	Actual 30 June 2015
	\$	\$	\$	\$
<b>Continuing operations</b>				
Other income	-	-	760	377,394
	-	-	760	377,394
<b>Expenses</b>				
Administration expense	(735,805)	(405,752)	(495,793)	(768,684)
Exploration and evaluation expense	(456,208)	(208,521)	(345,936)	(363,198)
Tenement acquisition costs	(178,400)	(244,050)	(142,736)	(245,005)
Fundraising expense	(46,953)	(22,378)	(11,734)	(27,382)
Other expense	(65,843)	(54,958)	(37,905)	(15,372)
	(1,483,209)	(935,479)	(1,034,104)	(1,419,641)
<b>Loss before income tax expense</b>	(1,483,209)	(935,479)	(1,033,344)	(1,042,247)
Income tax expense	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(1,483,209)</b>	<b>(935,479)</b>	<b>(1,033,344)</b>	<b>(1,042,247)</b>

To be read in conjunction with the accounting policies set out in Appendix 3

## GOLDEN EAGLE MINING LIMITED

## STATEMENTS OF FINANCIAL POSITION

		Audited Actual as at 30 June 2015	Reviewed Pro-forma as at 30 June 2015
	Note	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	3,808	3,473,546
Trade and other receivables	5	-	240,000
Loan receivable	7	10,000	10,000
<b>Total Current Assets</b>		<u>13,808</u>	<u>3,723,546</u>
<b>Non-Current Assets</b>			
Plant and equipment	6	40,567	40,567
<b>Total Non-Current Assets</b>		<u>40,567</u>	<u>40,567</u>
<b>TOTAL ASSETS</b>		<u><b>54,375</b></u>	<u><b>3,764,113</b></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	716,873	716,873
Other amounts payable		140,562	-
Borrowings	9	9,500	9,500
<b>Total Current Liabilities</b>		<u>866,935</u>	<u>726,373</u>
<b>TOTAL LIABILITIES</b>		<u><b>866,935</b></u>	<u><b>726,373</b></u>
<b>NET ASSETS (LIABILITIES)</b>		<u><b>(812,560)</b></u>	<u><b>3,037,740</b></u>
<b>EQUITY</b>			
Issued capital	10	6,235,971	13,282,410
Performance rights reserve		-	240,000
Accumulated losses		(7,048,531)	(10,484,670)
<b>TOTAL EQUITY</b>		<u><b>(812,560)</b></u>	<u><b>3,037,740</b></u>

To be read in conjunction with the accounting policies set out in Appendix 3

## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

**1. Basis of Preparation**

The condensed financial information of Golden Eagle for the four years ended 30 June 2015 has been prepared on a condensed basis in accordance with the Australian Accounting Standard 134 Interim Financial Reporting.

The condensed financial information does not include all the information and disclosures required in annual financial statements.

The financial information has been prepared in accordance International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes. Material accounting policies adopted in the preparation of this financial information are presented below and have been consistently applied in respect of each year unless stated otherwise.

The financial information has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

*Going Concern*

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business. The ability of the company to continue as a going concern is dependent on the Company raising additional funding pursuant to this prospectus or as and when required over the 12 months from the date of this financial information and/or the commercial development or sale of its exploration assets.

Should the company not achieve the matters set out above, the company may not be able to continue as a going concern or may have to dispose of assets other than in the normal course of business. No adjustments related to the recoverability and classification of recorded assets or liabilities related to the above have been made in the financial information.

## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

**2. Significant Accounting Policies****(a) New and amended accounting policies adopted by the company**

The company has adopted all new and revised accounting standards and interpretations that are relevant to its operations and effective for reporting periods beginning 1 July 2011. None of the new and revised standards and interpretations adopted during the year had a material impact.

**(b) New accounting standards for application in future periods**

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the company are not expected to impact significantly on the company when adopted in future periods.

**(c) Exploration and evaluation assets**

Exploration and evaluation expenditure in relation to the company's mineral tenements is expensed as incurred. When the Directors decide to progress the development of an area of interest all further expenditure incurred relating to the area will be capitalised. Projects are advanced to development status and classified as mine development when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest. Such expenditure is carried forward up to commencement of production at which time it is amortised over the life of the economically recoverable reserves. All projects are subject to detailed review on an annual basis and accumulated costs written off to the extent that they will not be recoverable in the future.

**(d) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(e) Plant and equipment**

Plant and equipment is stated at historical cost less depreciation. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset during their expected useful life of 3 to 5 years.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not shown in the accounts at a value in excess of the recoverable amount from assets.

**(f) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as shares in listed companies) is based on quoted market prices at 30 June 2015.

The nominal value, less any estimated credit adjustments, of trade receivables and payables are assumed to approximate their fair value.

**(g) Impairment of assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the

## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

**2. Significant Accounting Policies (cont'd)****(g) Impairment of assets (cont'd)**

asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

**(h) Trade and other receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed over an ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to note 1(h) for further discussion on the determination of impairment losses.

**(i) Trade and other payables**

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

**(j) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

*Interest*

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

**(k) Income tax**

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the notional income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

A deferred tax asset for unused tax losses is recognised only if it is probable that future taxable amounts will be available to utilise losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

**(l) Financial Instruments***Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the

## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

**2. Significant Accounting Policies (cont'd)**

company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

**(I) Financial Instruments (cont'd)**

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

*Classification and subsequent measurement*

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments other than loans receivables and financial liabilities, the entity does not currently hold any other classification of financial assets.

**(i) Financial assets at fair value through profit or loss**

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.



## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

## 2. Significant Accounting Policies (cont'd)

## (I) Financial Instruments (cont'd)

## (iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

## (v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

*Impairment*

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

**2. Significant Accounting Policies (cont'd)****(m) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(n) Employee benefits**

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

**3. The Preparation of the Pro-Forma Statement of Financial Position**

The 30 June 2015 Statement of Financial Position of Golden Eagle has been adjusted to reflect the impact of the following proposed transactions or actual transactions which have taken place subsequent to 30 June 2015:

- Pre-IPO capital raisings whereby the Company issued 6,248,000 ordinary shares at \$0.10 per share raising \$624,800 between 1 July 2015 and the date of this report.
- The issue pursuant to the Replacement Prospectus of 22,500,000 ordinary shares at \$0.20 per share, raising \$4,500,000. For the purposes of the pro forma, we have assumed the minimum level of subscription of 22,000,000 shares shall be issued to raise \$4,400,000.
- The payment of an estimated \$464,500 in costs incurred by the Company in relation to the capital raising and the subsequent write off of these costs against the issued capital. As approximately \$120,000 of these costs have already been included in the accounts and expensed via the cash trading loss adjustment noted below the additional amount expensed for purposes of this adjustment is \$344,500.
- The payment of tenement acquisition costs (referred to in Note 12), just prior to listing on ASX, amounting to \$2,436,139 comprising 10,830,695 ordinary shares at \$0.20 per share, a cash payment of approximately \$210,000 and stamp duty of \$60,000.
- The repayment of other amounts payable, just prior to listing on ASX, by way of a cash payment of \$140,562.
- The estimated cash trading loss of the Company for the four months ended 31 October 2015 of \$800,000 and the reduction of cash at bank by the same amount.
- The issue, upon listing on ASX, of performance rights to non-executive directors in lieu of services provided to the Company, which will convert to 1,200,000 ordinary shares having a value of \$240,000, on the condition that they remain employed with the Company for two years post listing on ASX. The cost of the performance rights will be amortised over the two year vesting period.
- The issue of 1,200,000 ordinary shares at \$0.20 per share as consideration for corporate advisory services and the expensing of that cost of \$240,000 to profit and loss.

## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

## 4. Cash and Cash Equivalents

	Actual as at 30 June 2015	Pro-forma as at 30 June 2015
	\$	\$
<b>CURRENT</b>		
Cash at bank and on hand	3,808	3,473,546

The movements in cash at bank are as follows:

Actual – 30 June 2015	3,808
Tenement acquisition costs to be paid	(270,000)
Estimated trading loss for the 4 months ended 31 October 2015	(800,000)
Repayment of other amounts payable	(140,562)
Pre- IPO Share issues	624,800
Issue of shares pursuant to Prospectus	4,400,000
Estimated total transaction costs	(344,500)
	<u>3,473,546</u>

Note: The proforma cash balance has been prepared on the basis that the proposed minimum capital of \$4,400,000 shall be raised. If more shares than 22,000,000 are subscribed for the impact on the notional proforma consolidated statement of financial position as at 30 June 2015 will be to increase cash and issued capital by the amount of the additional funds raised.

## 5. Trade and Other Receivables

Trade receivables	-	-
Current tax assets	-	-
Tenement deposit	-	-
Cost of performance rights	-	240,000
	<u>-</u>	<u>240,000</u>

## 6. Plant and Equipment

Plant & equipment – at cost	81,915	81,915
Accumulated depreciation	(41,348)	(41,348)
	<u>40,567</u>	<u>40,567</u>

## 7. Other Assets

Loans to unrelated parties	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

The loans are payable on demand and are non-interest bearing.

## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

## 8. Trade and Other Payables

	Actual as at 30 Jun 2015	Pro-forma as at 30 Jun 2015
	\$	\$
Trade creditors	423,788	423,788
Payroll liabilities	293,085	293,085
	<u>716,873</u>	<u>716,873</u>

## 9. Borrowings

Loans from related parties	9,500	9,500
Loans from unrelated parties	-	-
	<u>9,500</u>	<u>9,500</u>

## (a) Borrowing arrangements

Loans from related parties are non-interest bearing.

## 10. Issued Capital

<i>Issued and fully paid</i>	<b>No. of shares</b>	<b>\$</b>
Ordinary shares fully paid	80,855,396	13,282,410
	<u>80,855,396</u>	<u>13,282,410</u>
<b>Movements during the period</b>	<b>No. of shares</b>	<b>\$</b>
<b>Ordinary issued and paid up share capital</b>		
Shares on issue at 30 June 2015	40,576,701	6,235,971
Pre-IPO share issues since 1 July 2015	6,248,000	624,800
Shares issued to settle tenement acquisition costs	10,830,695	2,166,139
Shares issued pursuant to current prospectus (assume 22,000,000 shares issued at \$0.20 each)	22,000,000	4,400,000
Shares to be issued as consideration for corporate advisory services	1,200,000	240,000
Transaction costs related to \$4,400,000 Capital Raising	-	(344,500)
	<u>80,255,396</u>	<u>13,282,410</u>

## (a) Rights attaching to ordinary shares;

- (i) Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.
- (ii) At shareholder meetings, when a poll is called, each ordinary share is entitled to one vote otherwise each shareholder has one vote on a show of hands.

The company has not issued any options to acquire its ordinary shares.

## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

## 11. Financial Risk Management Objectives and Policies

The company's principal financial instruments comprise receivables, payables and cash which arise directly from its operations.

The company manages its exposure to key financial risks, in accordance with its financial risk management policy.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

**Risk Exposures and Responses***Interest rate risk*

The company generates income from interest on surplus funds.

At balance date, the company had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	Actual as at 30 Jun 2015	Pro-forma as at 30 Jun 2015
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	3,808	3,473,546
Other amounts payable	(140,562)	-
Net exposure	<u>(136,754)</u>	<u>3,473,546</u>

The company periodically analyses its interest rate exposure. Within this analysis consideration is given to alternative financing, hedging positions and the mix of fixed and variable interest rates.

At 30 June 2015, if interest rates had moved, up or downwards by 10%, with all other variables held constant, post tax loss and equity would not have been significantly affected.

*Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the company. The company's potential concentration of credit risk consists mainly of cash deposits with banks. The company's short term cash surpluses are placed with banks that have investment grade ratings. The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the balance sheet date. The company considers the credit standing of counterparties when making deposits to manage the credit risk.

*Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The company holds the majority of its financial assets as cash deposits and has significant liabilities hence it does have material liquidity risk at year end.

The remaining contractual maturities of the company's financial liabilities are:

12 months or less	866,935	726,373
	<u>866,935</u>	<u>726,373</u>

## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

## 11. Financial Risk Management Objectives and Policies (cont'd)

**Maturity analysis of financial assets and liabilities based on management's expectation**

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. To monitor existing financial assets and liabilities as well as to enable effective control of future risks, the company has established risk reporting processes covering its business units that reflect expectations of management of expected settlement of financial assets and liabilities.

30 June 2015 Actual	≤6 months \$	6-12 months \$	1-5 years \$	>5 years \$	Total \$
<b>Financial assets</b>					
Cash and cash equivalents	3,808	-	-	-	3,808
Loan receivable	10,000	-	-	-	10,000
<b>Financial liabilities</b>					
Borrowings	(9,500)	-	-	-	(9,500)
Other amounts payable	(140,562)	-	-	-	(140,562)
Trade and other payables	(716,873)	-	-	-	(716,873)
Net maturity	(853,127)	-	-	-	(853,127)
<b>30 June 2015 Pro-forma</b>					
	≤6 months \$	6-12 months \$	1-5 years \$	>5 years \$	Total \$
<b>Financial assets</b>					
Cash and cash equivalents	3,473,546	-	-	-	3,473,546
Loan receivable	10,000	-	-	-	10,000
<b>Financial liabilities</b>					
Borrowings	(9,500)	-	-	-	(9,500)
Trade and other payables	(716,873)	-	-	-	(716,873)
Net maturity	2,757,173	-	-	-	2,757,173

**Fair values**

Fair values of financial assets and liabilities are equivalent to carrying values due to their short terms to maturity.

## 12. Commitments

*Farm-in and joint venture agreements*

The company has no farm-in joint venture agreements with other entities.

*Office Rent*

The company has no significant obligations in relation to its future rental arrangements.

*Exploration Expenditure Commitments*

In order to maintain current rights of tenure to exploration tenements, the company is required to meet rent and rate commitments and perform minimum exploration work to meet the minimum expenditure requirements specified by the relevant authorities. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in the financial report. The minimum expenditure obligations for the next 12 months are estimated to be approximately \$837,000.



## GOLDEN EAGLE MINING LIMITED

## NOTES TO THE AUDITED AND UNAUDITED CONDENSED

## FINANCIAL INFORMATION

**12. Commitments (cont'd)***Option Agreement in Relation to Tenement Acquisition*

On 24 November 2010 the Company executed an option agreement with Mr Chitty and Devant Pty Ltd ("Grantors") for the acquisition of certain tenements.

The tenement acquisition option agreement referred to above has been extended and varied a number of times (the last variation was dated 21 August 2015). Pursuant to the latest variation the Company's principal outstanding obligations are summarised as follows;

- The balance of the purchase price is now approximately \$190,000 to be paid upon the earlier of two business day after the ASX grants conditional approval for ASX quotation of the Company's shares and 28 February 2016 (or such later date as agreed by the parties) (End Date);
- The Company is required to make a 6 monthly payments of \$62,500 until the terms of the option agreement are fully settled. The next payment was partially paid on 6 September 2015 with the balance of \$31,250 due on 6 December 2015;
- The Company is required to settle various outstanding creditors of the Grantors amounting to approximately \$50,000;
- The Company has agreed to settle certain debt obligations of the Grantor of approximately \$1,186,000 via the issue of 5,830,695 fully paid ordinary shares in the Company and a cash payment of \$20,000 on the End Date. If the creditors refuse to accept the shares in settlement then the Company has no further obligations to them.
- The Company is required to issue to Mr Chitty 5,000,100 ordinary shares on the End Date.

*Agreement with Raptor Global Corporation Limited*

The Company has engaged Raptor Global Corporation Limited to provide consulting services relating to the Offer and proposed ASX listing. Pursuant to this agreement the Company has commitments as disclosed in Section 12 of the Replacement Prospectus.

*Agreement with Paradigm Securities Pty Ltd*

The Company has engaged Paradigm Securities Pty Ltd to act as corporate advisor to the Company and co-lead manager to the Offer. Pursuant to this agreement the Company has commitments as disclosed in Section 3.2 of the Second Supplementary Prospectus.

**13. Contingent Liabilities**

The Company has obligations to pay various royalties, based on minerals produced, pursuant to a number of tenement acquisition agreements. The royalties will only become due and payable when and if mining commences. Further details of royalty obligations are set out in Section 12 of the Replacement Prospectus.

The directors are not aware of any other contingent liabilities that may have arisen from the Company's operations as at 30 June 2015.

**14. Events After The Reporting Period**

Other than as noted in this report at Note 3 there have been no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the company's operations in future years or the results of those operations in future years or the company's state of affairs in future years.

**SECOND SUPPLEMENTARY APPLICATION FORM**

This Second Supplementary Application Form (**Application Form**) relates to the issue of Shares in Golden Eagle Mining Limited (**Company**) at 20 cents per Share pursuant to a Replacement Prospectus issued by the Company and dated and lodged with the Australian Securities and Investments Commission (**ASIC**) on 3 August 2015 as supplemented by the supplementary prospectus issued by the Company and dated and lodged with the ASIC on 19 October 2015 and second supplementary prospectus lodged with ASIC on 30 November 2015 (together the **Replacement Prospectus**). The Replacement Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Replacement Prospectus, and any supplementary prospectus'. While the Replacement Prospectus is current, the Company will send paper copies of the Replacement Prospectus, and any supplementary prospectus and an Application Form, on request and without charge.

Number of Shares applied for: .....

Broker Stamp

Application moneys at 20 cents per Share: \$.....

Title	Given Names/Company Name	Surname/ACN
.....	.....	.....
Joint applicants or account designation		
.....	.....	.....
.....	.....	.....

Postal Address .....

City/Town ..... State ..... Postcode .....

Contact Name ..... Daytime Contact No. ....

Email contact .....

**CHESSE Details: PID**

Tax File No/Exemption Category		
Applicant 1	Applicant 2	Applicant 3
.....	.....	.....

Payment Details			
Drawer	Bank	Branch	Amount
.....	.....	.....	\$.....
.....	.....	.....	\$.....

## DECLARATION

By lodging this Application Form and a cheque for the application money the Applicant hereby:

- a) applies for the number of Shares specified in the Application Form or such lesser number as may be allocated by the Directors;
- b) agrees to be bound by the Constitution of the Company; and
- c) authorises the Directors to complete or amend this Application Form where necessary to correct any errors or omissions.

## INSTRUCTIONS

1. Enter the number of Shares you wish to apply for. Applications must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.
2. Enter the total amount of application moneys payable. To calculate this amount, multiply the number of Shares you are applying for by the issue price for each Share.
3. Enter the full name(s) of all legal entities that are to be recorded as the registered holders.
4. Enter the postal address for all communications from the Company.
5. Enter the name and telephone number of the person who should be contacted if there are any questions with respect to this application.
6. If you are CHESS sponsored, enter your Participant Identification Number (PID) and Holder Identification Number (HIN), otherwise leave this box blank and a Shareholder Reference Number (SRN) will be allocated to you on issue.
7. Enter the tax file number(s) of the Applicant(s) - this is not mandatory.
8. Unless otherwise agreed by the Company, payment must be made to **"Golden Eagle Mining Limited - Share Offer Account"** by cheque drawn or payable on a bank within Australia, crossed **"Not Negotiable"** and be in Australian dollars. Receipt of payment will not be acknowledged.
9. This Application Form does not need to be signed. Return of this Application Form with the required application moneys will constitute acceptance of that number of Shares stated on this form.

If you have received an Application Form without a complete and unaltered copy of the Replacement Prospectus, please contact the Company who will send you, free of charge, either a printed or electronic version of the Replacement Prospectus (or both).

## CORRECT FORMS OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below:

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Brown <John David Brown A/C>	John Brown Family Trust
Deceased Estates	Mr John David Brown <Est John David Brown A/C>	John Brown <Deceased>
Partnerships	Mr John David Brown and Mr Michael James Brown	John Brown & Son
Clubs/ Unincorporated Bodies	Mr John David Brown <ABC Tennis Association A/C>	Brown Investment Club or ABC Tennis Association
Super Funds	John Brown Pty Ltd <Super Fund A/C>	John Brown Superannuation Fund

## Privacy Act

The Application Form accompanying the Replacement Prospectus requires you to provide information that may be personal information for the purposes of the Privacy Act 1988 (Cth). The Company (and its share registry on behalf of the Company) may collect, hold and use that person information in order to assess your Application, service your needs as a Shareholder and provide facilities and services that you request and to administer the Company.

## PAYMENT DETAILS

Please note that if an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque. Please deliver the completed Application Form accompanied by a cheque for the application moneys at any time prior to closing date to the Company:

<u>Post:</u>	<u>Delivery:</u>
Golden Eagle Mining Limited c/- Unit 9, 27 Hood St, Subiaco, WA 6008	Golden Eagle Mining Limited c/- Unit 9, 27 Hood St, Subiaco, WA 6008

Applications must be received by the Closing Date.

Please telephone the Company on 08 9382 2322 if you have any questions with respect to this Application form.

Applications are for Shares as detailed in the Replacement Prospectus.