

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Glory Resources Limited (GLY)

ACN/ARSN 142 870 102

1. Details of substantial holder (1)

Name Eldorado Gold Corporation (ARBN 139 729 865) (Eldorado), Eldorado Gold Cooperatief UA, and each of Eldorado's controlled entities listed Annexure A (Eldorado Group Entities).

ACN/ARSN See Annexure A for the ACNs of the Eldorado Group Entities that are registered or incorporated in Australia.

The holder became a substantial holder on 21/12/2011

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	44,595,920	44,595,920	19.9%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Eldorado	Relevant interest under section 608(3) of the <i>Corporations Act 2001</i> (Cth), arising as a result of its wholly owned subsidiary Eldorado Gold Cooperatief UA, being the registered holder of the relevant shares.	44,595,920 ordinary shares
Eldorado Gold Cooperatief UA	Relevant interest under section 608(1)(a) of the <i>Corporations Act 2001</i> (Cth), as a result of being the registered holder of the relevant shares. These shares were acquired from GLY under a subscription agreement, a copy of which is attached in Annexure B.	44,595,920 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Eldorado and Eldorado Gold Cooperatief UA	Eldorado Gold Cooperatief UA	Eldorado Gold Cooperatief UA	44,595,920 ordinary securities

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Eldorado Gold Cooperatief UA	16 December 2011	\$11,148,980	N/A	44,595,920 ordinary securities

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Eldorado, Eldorado Gold Cooperatief UA and each Eldorado Group Entity	These entities are all associates of each other as the entities are related bodies corporate of each other. The Eldorado Group Entities and Eldorado Gold Cooperatief UA are all direct or indirect subsidiaries of, and are ultimately controlled by, Eldorado.

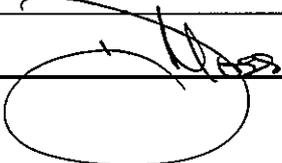
7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Eldorado Gold Cooperatief UA	Prins Bernhardplein 200, Amsterdam, The Netherlands
Eldorado and each Eldorado Group Entity	Suite 1188-550 Burrard Street Bentall 5, Vancouver, British Columbia, Canada

Signature

print name Dawn Moss capacity VP Administration and Corporate Secretary

sign here  date 22/12/2011

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A of 2 pages referred to in the Form 603 (Notice of initial substantial holder), signed by me and dated 22 December 2011.


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Dawn Moss

Eldorado Group Entities

Australian Eldorado Group Entities

The following are Eldorado Group Entities incorporated in Australia.

ENTITY	ACN
Eldorado Australasia Pty Limited	008 796 263
Eldorado Pacific Pty Limited	140 003 149
Golden China Australia Pty Ltd.	123 056 940
Michelago Limited	057 816 609
Sashmo Pty Ltd.	111 550 442
Sino Gold Mining Limited	093 518 579
Sino Gold Pty Ltd.	093 837 668
Sino Mining Guizhou Pty Ltd.	094 694 970

Non-Australian Eldorado Group Entities

The following are Eldorado Group Entities incorporated outside of Australia.

Entity	Country of incorporation
Afcan China Limited	Barbados
Afcan Mining Corporation	Canada
Brazauro Holdings (Brazil) Ltd.	Canada
Brazauro Recursos Minerais Ltda.	Brazil
Brazauro Resources Corporation	Canada
Candelaria Holdings Limited	British Virgin Islands
Candelaria Pesquisas SA	Brazil
Eldorado Gold (Barbados) Limited	Barbados
Eldorado Gold Holdings (BC) Ltd.	Canada
Eldorado Gold Insurance Corporation	Barbados
Eldorado Resources (BVI) Limited	British Virgin Islands
Empresa Internacional de Mineracao do Brasil Ltda.	Brazil
Fargo Inc.	United States

Entity	Country of incorporation
Fountain Securities Limited	British Virgin Islands
Frontier Pacific Mining Corporation	Canada
Golden China International Inc.	Barbados
Golden China Nibao Gold Corporation	British Virgin Islands
Golden China Resources Corporation	Canada
Guizhou APAC Minerals Inc.	People's Republic of China
Heihe Rockmining Limited	People's Republic of China
Heilongjiang Sino Gold Strike Mining Limited	People's Republic of China
Jincheng Mining Limited	People's Republic of China
Mineracao Agua Branca Ltda.	Brazil
Qinghai Dachaidan Mining Ltd.	People's Republic of China
Resource Holdings 2004	British Virgin Islands
Rockmining Group Company Limited	Hong Kong
Sao Bento Holdings Limited	Bermuda
Sao Bento Mineracao SA	Brazil
SG Resources BV	Netherlands
Sino Gold BMZ Limited	Cayman
Sino Gold Guizhou Jindu Mining Limited	People's Republic of China
Sino Gold HLJ Limited	Barbados
Sino Gold Jilin BMZ Mining Limited	People's Republic of China
Sino Gold Jindu Limited	Barbados
Sino Gold Jinluo Limited	Barbados
Sino Gold Kunming Jinsanjiang Mineral Co.	People's Republic of China
Sino Gold Mining (Canada) Ltd.	Canada
Sino Gold Tenya (HK) Limited	Hong Kong
Sino Guizhou Jinfeng Mining Limited	People's Republic of China
Sino Guizhou Jinluo Mining Limited	People's Republic of China
Thracean Gold Mining	Greece
TJS Limited	Barbados
Tuprag Export Ihracat Ticaret Ltd.	Turkey
Tuprag Metal Madencilik Sanayü ve Ticaret AS	Turkey
Unamgen Mineracao e Metalurgia SA	Brazil

Annexure B

This is Annexure B of 45 pages referred to in the Form 603 (Notice of initial substantial holder), signed by me and dated 22 December 2011.

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Dawn Moss

Subscription Agreement between Eldorado Gold Cooperatief UA and GLY

Subscription Agreement

Glory Resources Limited

and

Eldorado Gold Cooperatief U.A.

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Date: November, 2011

Parties

- 1 **Glory Resources Limited** ABN 38142 870 102 of 945 Wellington Street, West Perth (**Issuer**)
 - 2 **Eldorado Gold Cooperatief U.A.** Commercial Registration No. 53699351 of Prins Bernhardplein 200, 1097 JB Amsterdam (**Subscriber**)
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Background

- A The Issuer is admitted to the official list of ASX and fully paid ordinary shares in the Issuer are quoted on the market conducted by ASX.
- B The Issuer has entered into an Acquisition Agreement (defined below) with Cape Lambert Resources Limited to purchase 100% of the issued capital of Scarborough Minerals Overseas Holdings Ltd. which through its wholly owned subsidiaries owns 100% of the Sapes Gold Project.
- C The Issuer proposes to raise the Offer Amount through the Offer by way of issue to the general public to fund both the acquisition of the Sapes Gold Project and further development of the Sapes Gold Project.
- D The Subscriber has agreed to subscribe for the Subscription Shares for the Subscription Amount as part of the Offer.
- E The Issuer has agreed to issue the Subscription Shares to the Subscriber and the Subscriber has agreed to subscribe for the Subscription Shares and pay the Subscription Amount to the Issuer on the terms and conditions of this Agreement.

NOW THEREFORE, IN CONSIDERATION of the premises and the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (Dictionary), has the meaning given to it in the Dictionary;
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act; and
- (c) which is defined in the GST Law, but is not defined in the Dictionary or the Corporations Act, has the meaning given to it in the GST Law.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this Agreement.

2 Subscription

2.1 Subscription

Subject to the terms and conditions of this Agreement, the Issuer must allot and issue and the Subscriber or, at the Subscriber's election a direct or indirect Subsidiary of the Subscriber, must subscribe for, the Subscription Shares:

- (a) for the Subscription Amount;
- (b) on the Completion Date; and
- (c) free of any Security Interest or other rights or interests of third parties.

2.2 Time and place for Completion

Completion will take place at 10.00am on the Completion Date at the offices of the Issuer or any other time and place agreed between the parties.

2.3 Obligations prior to Completion

Prior to Completion the Issuer must ensure that the Board holds a meeting at which the directors resolve, subject to Completion to allot and issue the Subscription Shares to the Subscriber (or its nominee) in consideration of the Subscription Amount.

2.4 Obligations at Completion

At Completion and in accordance with the terms of this Agreement:

- (a) the Subscriber must:
 - (i) give to the Issuer a duly completed Application Form in respect of the Subscription Shares; and
 - (ii) pay to the Issuer the Subscription Amount in Immediately Available Funds.
- (b) as soon as practicable upon receipt of the Application Form referred to in clause 2.4(a) and Subscription Amount, the Issuer must:
 - (i) issue and allot the Subscription Shares to the Subscriber (or its nominee); and
 - (ii) procure that the issue and allotment of the Subscription Shares occurs contemporaneously with the issue of the Consideration Shares to Cape Lambert and to the extent possible, contemporaneously the acquisition of the Sapes Gold Project from Cape Lambert; and
 - (iii) register the Subscription Shares in the Issuer's register of members, or ensure that the Issuer's share registry does so, in the name of the Subscriber free from any Security Interest or other rights or interests of third parties.

2.5 Obligations immediately following Completion

- (a) Immediately following Completion, the Issuer must:
 - (i) apply for and use its best endeavours to obtain Official Quotation of the Subscription Shares by ASX (without restriction) and do all things reasonably necessary for the Subscription Shares to be quoted as soon as practicable on such terms and conditions as are usual for quotation of securities on ASX and thereafter use its best endeavours to procure that official quotation is granted to the Subscription Shares; and
 - (ii) deliver to the Subscriber (or, if applicable, the Subscriber's nominee), the issuer-sponsored holding statement for the Subscription Shares.

2.6 Constitution

Upon the issue of the Subscription Shares to the Subscriber on Completion, the Subscriber agrees to become a member of the Issuer and to be bound by the Issuer's Constitution in respect of those Subscription Shares.

2.7 Equal ranking

The Subscription Shares will, upon their issue, rank equally with, and have the same voting rights, dividend rights and other entitlements as the other Shares.

2.8 Interdependence of Completion obligations

- (a) The obligations of the Issuer and the Subscriber under clauses 2.1 (Subscription), and 2.4 (Obligations at Completion) are interdependent. Unless otherwise stated, all actions required to be performed by a party at Completion are taken to have occurred simultaneously on the Completion Date.
- (b) Completion will not occur unless all of the obligations of the Issuer and the Subscriber under clauses 2.1 (Subscription), and 2.4 (Obligations at Completion), are complied with and fully effective.
- (c) If one action does not take place under clauses 2.1 (Subscription), and 2.4 (Obligations at Completion), then without prejudice to any rights available to any party as a consequence:
 - (i) there is no obligation on any party to undertake or perform any of the other actions;
 - (ii) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to immediately reverse those actions; and
 - (iii) each party must immediately return to the other party all documents delivered to it and any Subscription Amount paid to it under clauses 2.1 (Subscription) and 2.4 (Obligations at Completion) without prejudice to any other rights any party may have in respect of that failure.

2.9 Further undertaking

The Issuer will ensure that at or immediately following Completion it acquires full legal and beneficial title to the Sapes Gold Project from Cape Lambert. The Issuer undertakes that if for any reason the acquisition of the Sapes Gold Project is not completed

immediately it will immediately repay in full the Subscription Amount including taking such steps as are required under the Corporations Act to achieve this at the Issuer's sole cost.

3 Conditions precedent

3.1 Conditions precedent prior to or on Completion

The Issuer and the Subscriber are only obliged to perform their obligations in relation to Completion if the following Conditions are satisfied or waived by the party or parties identified as being entitled to the benefit of that Condition:

Condition	Party entitled to benefit
(a) Minimum Subscription – The Issuer has received subscriptions for Shares pursuant to the Offer which, when aggregated with the Subscription Amount, will exceed A\$42,500,000 and such subscriptions remaining in full force and effect on Completion.	The Subscriber and the Issuer
(b) Shareholder Approvals – The shareholder approvals obtained at the general meeting of the shareholders of the Issuer held on October 24, 2011 remain in full force and effect on Completion.	The Subscriber and the Issuer

3.2 Obligation to satisfy Conditions precedent

The Issuer must, subject to clause 3.3 (Satisfaction, waiver or failure of Conditions), use its reasonable endeavours to ensure or procure that the Conditions in clause 3.1(a) and (b) are satisfied on or before 31 December 2011 and that such Conditions remains in full force and effect on the Completion.

3.3 Satisfaction, waiver or failure of Conditions

- (a) The Issuer must promptly notify the Subscriber in writing if it becomes aware that the Condition is:
- (i) satisfied; or
 - (ii) becomes incapable of being satisfied before the date by which that Condition is required to be fulfilled pursuant to clauses 3.1 (Conditions precedent prior to Completion) and 3.2 (Obligation to satisfy Conditions precedent).
- (b) If more than one party has the benefit of a Condition, that Condition may only be waived if each party with the benefit of the Condition gives notice to the other party prior to the last date for completion of such Condition, specifying that it no longer

requires the Condition to be fulfilled (provided such waiver is permitted by law and that Completion has not already occurred).

3.4 Termination upon failure to satisfy conditions

- (a) A party entitled to the benefit of a Condition may terminate this Agreement by giving not less than 2 Business Days written notice to the other party if at any time before Completion and subject to this clause 3:
 - (i) that Condition is not satisfied or waived by the party, or each party with the benefit of that Condition by the time required by clause 3.2 (Obligation to satisfy Conditions precedent) for satisfaction of that Condition; or
 - (ii) the Issuer or the Subscriber (as the case may be) has given a notice that the Condition is incapable of being satisfied by the time required by clause 3.2 (Obligation to satisfy Conditions precedent) for satisfaction of that Condition (unless that Condition has actually been satisfied before the notice is given).
- (b) If this Agreement is terminated under this clause 3.4, then clause 6.4 (Effect of termination) applies with the necessary changes.

4 Issuer warranties

4.1 Giving of Issuer Warranties

- (a) The Issuer represents and warrants to the Subscriber that each of the Issuer Warranties is true and accurate in all material respects as at:
 - (i) the date of this Agreement; and
 - (ii) Completion.
- (b) Each Issuer Warranty must be construed independently and the interpretation of any statement made is not to be limited by reference to another Issuer Warranty.

4.2 Prospectus reliance

The Subscriber shall be entitled to rely on the Prospectus and shall be entitled to all rights and benefits as a subscriber under the Prospectus including without limitation any applicable rights of recovery and rescission rights for a misstatement in or omission from the Prospectus.

5 Subscriber warranties

5.1 Giving of Subscriber Warranties

- (a) The Subscriber represents and warrants to the Issuer that each of the Subscriber Warranties is true and accurate in all material respects as at:
 - (i) the date of this Agreement; and
 - (ii) Completion.

- (b) Each Subscriber Warranty must be construed independently and the interpretation of any statement made is not to be limited by reference to another Subscriber Warranty.

5.2 Subscriber warranties

The Subscriber represents and warrants that:

- (a) Corporate existence: It is a body corporate validly existing under the laws of its place of incorporation;
- (b) Power and capacity: It has the power and capacity to enter into and perform its obligations under or in connection with this Agreement and to own its assets and to carry on its business as it is now being conducted;
- (c) Authority: It and its directors have taken all necessary action to authorise the signing, delivery and performance of this Agreement and the documents required under this Agreement in accordance with their respective terms;
- (d) Validity of obligations: This Agreement constitutes valid and binding obligations upon it enforceable in accordance with its terms, subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally;
- (e) No breach: The signing and delivery of this Agreement and the performance by the Subscriber of its obligations under it complies with and will not breach:
 - (i) each applicable law and Authorisation; or
 - (ii) the Subscriber's constitution or other constituent documents.
- (f) No Insolvency Event: No Insolvency Event has occurred in relation to the Subscriber or any of its Subsidiaries;

6 Termination events

6.1 Termination by the Issuer

The Issuer may terminate this Agreement without liability at any time before Completion by notice in writing to the Subscriber if:

- (a) material breach: the Subscriber commits a material breach of this Agreement and that breach is incapable of remedy, or if capable of remedy, is not remedied by the Subscriber within 5 Business Days of receiving written notice from the Issuer specifying the breach and stating an intention to terminate the Agreement;
- (b) unable to issue Subscription Shares: the Issuer is prevented from issuing or allotting any of the Subscription Shares on the Completion Date by the order of a court of competent jurisdiction or by a Government Agency which remains in force on the Completion Date;
- (c) no minimum subscription: the minimum subscription of A\$42,500,000 (when aggregated with the Subscription Amount) under the Prospectus is not achieved; or

- (d) no acquisition of the Sapes Gold Project: the acquisition of the Sapes Gold Project from Cape Lambert is not completed.

6.2 Termination by the Subscriber

The subscriber may terminate this Agreement without liability at any time before Completion by notice in writing to the Issuer if:

- (a) material breach: the Issuer commits a material breach of this Agreement and that breach is incapable of remedy, or if capable of remedy, is not remedied by the Issuer within 5 Business Days of receiving written notice from the Subscriber specifying the breach and stating an intention to terminate the Agreement;
- (b) no minimum subscription: the minimum subscription of A\$42,500,000 (when aggregated with the Subscription Amount) under the Prospectus is not achieved;
- (c) no acquisition of the Sapes Gold Project: the acquisition of the Sapes Gold Project from Cape Lambert is not completed.; or
- (d) material adverse change: there is a material adverse change in the affairs of the Issuer.

6.3 Termination

Unless otherwise stated in this Agreement, where a party has a right to terminate this Agreement, that right for all purposes will be validly exercised if that party delivers a notice in writing to the other party specifying the event or events in relation to which the notice is given and stating that it terminates this Agreement.

6.4 Effect of termination

- (a) A termination of this Agreement will not affect any other rights the parties have against one another at law or in equity.
- (b) On termination of this Agreement:
 - (i) the parts of this Agreement specified in clause 13.10 (Survival and merger) are not affected;
 - (ii) each party retains any rights it has against the other party in connection with any right or Claim which arises before termination; and
 - (iii) the Subscriber must return to the Issuer all documents and other materials in any medium in its possession, power or control which contain information relating to the Subscription Shares and/or Issuer and which have been disclosed to or provided to the Subscriber by the Issuer *provided that*:
 - (A) the Subscriber may deliver to its counsel a brief summary of such information and data so as to be able to identify the nature of the information and data which the Subscriber returned; and
 - (B) the Subscriber shall only be required to use commercially reasonable efforts to return any information and data stored electronically, and neither the Subscriber nor its Representatives or legal counsel shall be required to return or destroy any electronic copy of information and data created pursuant to its, its Representatives' or legal counsel's standard electronic backup and archival procedures.

7 Director appointment rights

7.1 Nomination of Director

- (a) So long as the Subscriber and its Associates hold a Relevant Interest at least equal to the Threshold Number, the Subscriber shall have the right, but not the obligation, to nominate one representative to the board of directors of the Issuer, provided that the representative shall be duly qualified and suitably experienced for such role and the Subscriber shall act reasonably in making such nomination. If a Subscriber representative is so nominated, the Issuer will use its commercially reasonable efforts to ensure that the Subscriber's nominee is elected or appointed to the Board.
- (b) If the Subscriber intends to exercise its right to nominate a director to the Board, the Subscriber shall subject to clause 7.1(c) give to the Issuer a written consent from the Subscriber's nominee to act as a director of the Issuer.
- (c) The Issuer will enter into a deed of indemnity, insurance and access with the Subscriber's nominee in the usual form entered into with the Issuer's current directors.

7.2 Reappointment of director of the Issuer

If a nominee of the Subscriber is appointed as a director of the Issuer pursuant to clause 7.1(a), the Issuer must put to its Shareholders at the issuer's first annual general meeting to be held following such appointment, a resolution to reappoint such nominee on the Board in accordance with the Constitution, the ASX Listing Rules and any other applicable laws.

7.3 Resignation of Subscriber Representative

If at any time the Subscriber and its Associates hold Shares less than the Threshold Number, the Subscriber must procure that the Subscriber's nominee under clause 7.1 immediately resign as a director of the Issuer by giving written notice to the Issuer at its registered office.

8 Confidentiality

8.1 Recipient must keep information confidential

- (a) Where one party to this Agreement (Discloser) discloses or otherwise makes available for review Confidential Information to the other party (Recipient), the Recipient must keep all the Discloser's Confidential Information confidential and not disclose it to any third party except as:
 - (i) otherwise permitted under this Agreement; and
 - (ii) provided for in clause 8.2 (Permitted disclosures).

8.2 Permitted disclosures

The Recipient may disclose the Discloser's Confidential Information:

- (a) to the Recipient's Representatives provided that:

- (i) those Representatives need to know that Confidential Information for the purpose of carrying out their responsibilities and duties (and only to the extent that each has a need to know);
 - (ii) those Representatives are under an obligation to the Recipient to keep the Discloser's Confidential Information confidential on terms set out in this clause 8; and
 - (iii) the Recipient ensures that those Representatives keep the Discloser's Confidential Information confidential in accordance with this clause 8;
- (b) with the prior written consent of the Discloser; and
 - (c) to the extent that the disclosure is required by applicable law, legal process, any order or rule of any Government Agency, the rules of a recognised stock exchange, or otherwise to comply with its regulatory obligations.

8.3 Survival of confidentiality obligations

The Recipient's obligations under this clause 8 (**Confidentiality**) continue indefinitely for a period of 12 months from the date of this Agreement.

9 Participation rights

9.1 Right to participate in future Financing

So long as the Subscriber and its Associates hold a Relevant Interest at least equal to the Threshold Number then:

- (a) the Issuer agrees that it will provide the Subscriber with no less than 7 Business Days notice of any intention on the part of the Issuer to carry out a Financing (which notice must set out the number of securities proposed to be issued, the date on (or by) which they will be issued, the issue price and any other material terms of the securities and the proposed offer);
- (b) without the Subscriber's prior written consent, the Issuer will not issue any Shares or securities convertible into Shares pursuant to any Financing before the expiry of the 7 Business Day period referred to above; and
- (c) the Issuer agrees that it will consult with the Subscriber in good faith with a view to the participation of the Subscriber (or of an Associate nominated by the Subscriber) in any proposed Financing in a fair and equitable manner (having regard to the Relevant Interest then held by the Subscriber).

10 Duty, costs and expenses

10.1 Duty

All Duty which may be payable on or in connection with this Agreement and any instrument executed under or in connection with or any transaction evidenced by the Agreement is payable by the Subscriber.

10.2 Costs and expenses

Each party must pay its own costs and expenses of negotiating, preparing, signing, delivering and registering this Agreement and any other Agreement or document entered into or signed under this Agreement.

10.3 Costs of performance

A party must bear the costs and expenses of performing its obligations under this Agreement, unless otherwise provided in this Agreement.

11 GST

The Issuer shall be responsible for the payment of any and all GST payable in respect of the subscription for Subscription Shares and the transactions contemplated by this Agreement.

12 Negotiation of Joint Venture

12.1 Following completion

If the Issuer resolves to seek a joint venture party for the Sapes Gold Project, the Issuer and the Subscriber shall use their commercially reasonable efforts to negotiate in good faith and conclude, subject to any necessary Shareholder approvals required by the ASX Listing Rules, a joint venture agreement for the Sapes Gold Project.

12.2 No obligation

For the avoidance of doubt, nothing in this clause 12 obliges the Issuer to enter into a joint venture agreement with the Issuer for the Sapes Gold Project.

12.3 Termination

Clause 12.1 shall terminate upon the Subscriber and its Associates no longer holding a Relevant Interest at least equal to the Threshold Number.

13 General

13.1 Notices

(a) Unless expressly stated otherwise in this Agreement, a notice or other communication given under this Agreement including, but not limited to, a request, demand, consent or approval, to or by a party to this Agreement:

- (i) must be in legible writing and in English;
- (ii) must be addressed to the addressee at the address, facsimile number set out below or to any other address, facsimile number a party notifies to the other under this clause:
 - (A) if to the Issuer:

Address 945 Wellington Street
West Perth WA 6005

Attention Company Secretary

Facsimile 08 9322 7602

(B) If to the Subscriber:

Address c/o Eldorado Corporation
Suite 1188 - 550 Burrard Street
Bentall 5
Vancouver, British Columbia, Canada, V6C 2B5

Attention Eduardo Moura

Facsimile (604) 687-4026

with a copy to

Address 1200 Waterfront Centre, 200 Burrard Street
Vancouver, British Columbia, Canada, V7X 1T2

Attention Fred R. Pletcher

Facsimile (604) 622-5802

(iii) must be signed by an Officer or under the common seal of a sender which is a company; and

(iv) is deemed to be received by the addressee in accordance with clause 13.1(b).

(b) Without limiting any other means by which a party may be able to prove that a notice has been received by another party, a notice is deemed to be received:

(i) if sent by hand, when delivered to the addressee;

(ii) if by post, 3 Business Days from and including the date of postage/on delivery to the addressee; or

(iii) if by facsimile transmission, on receipt by the sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent,

but if the delivery or receipt is on a day which is not a Business Day or is after 5.00 pm (addressee's time) it is deemed to be received at 9.00 am on the following Business Day.

(c) A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after the transmission is received or regarded as received under clause 13.1(b)(iii) and informs the sender that it is not legible.

(d) In this clause, a reference to an addressee includes a reference to an addressee's Officers, agents or employees.

(e) Any party hereto may change its address for service from time to time by notice given to each of the other parties hereto in accordance with the foregoing provisions.

13.2 Governing law

This Agreement is governed by the laws of Western Australia.

13.3 Jurisdiction

Each party irrevocably and unconditionally:

- (a) submits to the exclusive jurisdiction of the courts of Western Australia;
- (b) waives any:
 - (i) claim or objection based on absence of jurisdiction or inconvenient forum; or
 - (ii) immunity in relation to this Agreement in any jurisdiction for any reason; and
- (c) agrees that a document required to be served in proceedings about this Agreement may be served:
 - (i) under clause 13.1 (Notices);
 - (ii) in any other way permitted by law.

13.4 Invalidity

- (a) If a provision of this Agreement or a right or remedy of a party under this Agreement is invalid or unenforceable in a particular jurisdiction:
- (b) it is read down or severed in that jurisdiction only to the extent of the invalidity or unenforceability; and
- (c) it does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions in any jurisdiction.
- (d) This clause is not limited by any other provision of this Agreement in relation to severability, prohibition or enforceability.

13.5 Assignment, novation and other dealings

A party must not assign or novate this Agreement or otherwise deal with the benefit of it or a right under it, or purport to do so, without the prior written consent of each other party.

13.6 Variation

No variation of this Agreement is effective unless made in writing and signed by each party.

13.7 Waiver

No waiver of a right or remedy under this Agreement is effective unless it is in writing and signed by the party granting it. It is only effective in the specific instance and for the specific purpose for which it is granted.

13.8 Cumulative rights

Except as expressly provided in this Agreement, the rights of a party under this Agreement are in addition to and do not exclude or limit any other rights or remedies provided by law.

13.9 Further assurances

Except as expressly provided in this Agreement, each party must, at its own expense, do all things reasonably necessary to give full effect to this Agreement and the matters contemplated by it.

13.10 Survival and merger

- (a) No term of this Agreement merges on completion of any transaction contemplated by this Agreement.
- (b) Clause 8 (Confidentiality), clause 10 (Duty, costs and expenses) and this clause 13 (General) survive termination or expiry of this Agreement together with any other term which by its nature is intended to do so.

13.11 Entire agreement

- (a) This Agreement is the entire agreement between the parties about its subject matter and replaces all previous agreements, understandings, representations and warranties about that subject matter.

13.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which, when executed, is an original. Those counterparts together make one instrument.

13.13 Relationship of the parties

Except as expressly provided in this Agreement:

- (a) nothing in this Agreement is intended to constitute a fiduciary relationship or an agency, partnership or trust; and
- (b) no party has authority to bind any other party.

13.14 Third party rights

Except as expressly provided in this Agreement:

- (a) each person who executes this Agreement does so solely in its own legal capacity and not as agent or trustee for or a partner of any other person; and
- (b) only those persons who execute this Agreement have a right or benefit under it.

Schedule 1

1 Dictionary

In this Agreement:

Acquisition Agreement means the Share Sale Agreement between the Issuer, Cape Lambert, Rhodopi Minerals Ltd and Mineral Securities (UK) Limited dated 21 October 2011 and includes any revision, modification, supplement and restatement including without limitation pursuant to the comprehensive share sale agreement.

Application Form means an application form attached to the Prospectus.

ASIC means the Australian Securities and Investments Commission.

Associates has the meaning given to it in section 12 of the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by that entity.

ASX Listing Rules means the official listing rules of ASX, as amended and waived by ASX from time to time.

Authorisation includes:

- (a) a consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Government Agency; and
- (b) in relation to anything which a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action.

Board means the board of directors of the Issuer.

Business Day means a day on which banks are open for business excluding Saturdays, Sundays or public holidays in Perth, Western Australia and Vancouver, British Columbia, Canada.

Cape Lambert means Cape Lambert Resources Limited.

Claim means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

Completion means the completion of the issue and allotment of the Subscription Shares in accordance with this Agreement and **Complete** has a corresponding meaning.

Completion Date means the date the Offer Shares are issued pursuant to the prospectus or any other date agreed between the parties.

Condition means a conditions precedent set out in clause 3.1 (**Conditions precedent prior to Completion**).

Confidential Information of the Disclosing Party means all information of the Disclosing Party or any of its Related Bodies Corporate (regardless of form) which:

- (a) is confidential; and
- (b) is disclosed to or observed by the Recipient in connection with this Agreement whether before, on or after the date of this Agreement and whether by the Disclosing Party or any other person,

and all notes, compilations, analyses, extracts, summaries and other records prepared by or for the benefit of the Recipient or any of its Related Persons based on or incorporating that information.

Confidential Information does not include information which is in or comes into the public domain otherwise than by disclosure in breach of this Agreement or an obligation of confidence owed to a party.

Consideration Shares has the meaning given to such term in the Glossary of the Explanatory Statement.

Constitution means the constitution of the Issuer.

Corporations Act means Corporations Act 2001 (Cwlth).

Deferred Consideration means has the meaning given to such term on page 14 of the Explanatory Statement.

Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.

Encumbrance means:

- (a) any encumbrance, mortgage, pledge, charge, lien, assignment, hypothecation, royalty, joint venture interest, security interest, title retention, preferential right or trust arrangement and any other security or agreement of any kind given or created and including any possessory lien in the ordinary course of business whether arising by operation of law or by contract;
- (b) a mortgage, charge, pledge, lien, hypothecation, power of attorney or title retention arrangement, a right of set-off or right to withhold payment of a deposit or other money, a notice under section 255 of the Income Tax Assessment Act 1936 (Cth), subdivision 260–A in schedule 1 of the Taxation Administration Act 1953 (Cth) or any similar legislation;
- (c) any other interest or arrangement of any kind that secures the payment of money or the performance of an obligation or which gives a creditor priority over unsecured creditors in relation to any property;
- (d) an easement, restrictive covenant, caveat or similar restriction over property; or
- (e) includes any agreement to grant any of the above or to allow any of them to exist;

Environmental Law means any law concerning environmental matters which regulates or affects any of the Lease Contract, and includes, but is not limited to, laws concerning land use, development, pollution, waste disposal, toxic and hazardous substances,

conservation of natural or cultural resources and resource allocation including any law relating to exploration for or development of any natural resource or any and all applicable laws and regulations relating to the protection of human health and safety, the use, disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants or restoration of the environmental or human exposure to hazardous or toxic substances.

Explanatory Statement means the Explanatory Statement of the Issuer prepared for the information of the Shareholders of the Issuer in connection with the meeting of the Issuer's Shareholders to be held at 9:00 am (WST) on October 24, 2011.

Financing means any public or private equity financing to raise capital for cash consideration undertaken by the Issuer through the issue of Shares, or securities convertible into Shares, for cash consideration.

First Milestone means the date on which Thrace Minerals SA has obtained the Operating Approvals.

Governmental Agency means: (i) any multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, council, board, bureau or agent, domestic or foreign; (ii) any subdivision agent, commission, commissioner, board or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

Governmental Authority means a government or government department, a governmental or semi-governmental or judicial person (whether autonomous or not) charged with the administration of any applicable law.

Group means the Issuer and each entity which is a Related Body Corporate of the Issuer.

GST means goods and services tax or similar value added tax levied or imposed in Australia under the GST Law.

GST Law has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Immediately Available Funds means cash, bank cheque or electronic funds transfer.

Insolvency Event means the occurrence of any one or more of the following events in relation to any person:

- (a) an application is made to a court for an order, or an order is made, that it be wound up, declared bankrupt or that a provisional liquidator or receiver or receiver and manager be appointed;
- (b) a liquidator or provisional liquidator is appointed;
- (c) an administrator is appointed to it under sections 436A, 436B or 436C of the Corporations Act;
- (d) a Controller (as defined in section 9 of the Corporations Act) is appointed to it or any of its assets;
- (e) a receiver is appointed to it or any of its assets;

- (f) it enters into an arrangement or composition with one or more of its creditors, or an assignment for the benefit of one or more of its creditors, in each case other than to carry out a reconstruction or amalgamation while solvent;
- (g) it proposes a winding-up, dissolution or reorganisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
- (h) it is insolvent as disclosed in its accounts or otherwise, states that it is insolvent, is presumed to be insolvent under an applicable law (including under sub-section 459C(2) or section 585 of the Corporations Act) or otherwise is, or states that it is, unable to pay all its debts as and when they become due and payable;
- (i) it is taken to have failed to comply with a statutory demand as a result of sub-section 459F(1) of the Corporations Act;
- (j) a notice is issued under sections 601AA or 601AB of the Corporations Act and not withdrawn or dismissed within 21 days;
- (k) a writ of execution is levied against it being for an amount of in excess of A\$1,000,000;
- (l) it ceases to carry on business or threatens to do so; or
- (m) anything occurs under the law of any jurisdiction which has a substantially similar effect to any of the events set out in the above paragraphs of this definition.

Issuer Warranties means the representations and warranties set out in Schedule 2 - (Issuer Warranties).

Lease Contract means:

- (a) Lease Contract No. 850 for the A5 area in Sapes, Greece;
- (b) any other lease or leases which may be granted in lieu of or relate to the same ground as, the lease specified in paragraph (a); and
- (c) includes all rights to mine and other privileges appurtenant to the lease referred to in paragraphs (a) and (b).

Loss means losses, liabilities, damages, costs, charges and expenses and includes Taxes, Duties and Tax Costs.

Material Adverse Effect means an event where individually, or when aggregated with all such other events, is likely to have a material adverse effect on the business, assets, condition (financial or otherwise), liabilities of the Issuer.

Mining Information means and includes the following in the possession or control of the Scarborough Group:

- (a) all surveys, maps, plans, geophysical plots (including magnetics and EM) and diagrams of the Lease Contract and adjacent areas;
- (b) all samples and ores, drilling locations and logs from drilling conducted on the Lease Contract or adjacent areas;

- (c) all assays, reports, listings, geological, geochemical and petrographic samples and reports of or with respect to ores extracted from or located upon the Lease Contract or adjacent areas; and
- (d) all papers, notes, advices and reports extracted or compiled from or based upon the documents and items referred to above and all other data, specification records (in whatever form), reports, accounts and other documents or things and knowledge (whether reduced to writing or not) relating to the Lease Contract or adjacent areas.

Mining Law means the applicable mining laws in Greece (or any amendment or statutory replacement of that law) and includes regulations and orders made under that law.

Offer means the offer by the issue of the Offer Shares.

Offer Amount means between A\$42,500,000 and A\$50,000,000.

Offer Management Agreement means the Offer Management Agreement to be entered into between the Issuer and Mirabaud Securities LLP pursuant to which Mirabaud Securities LLP will act as lead manager and will exclusively arrange and lead manage, and act as book runner for the Offer.

Offer Shares means the offer by the Issuer of between 170,000,000 and 200,000,000 Shares at A\$0.25 per Share, the subject of the Prospectus.

Officer means, in relation to a body corporate, a director or secretary of that body corporate.

Official Quotation means quotation by ASX.

Operating Approvals means all necessary approvals and consents of Governmental Authorities (including all approvals under Environmental Laws) to enable Thrace Minerals SA (as defined below) to commence exploitation of minerals from the Sapes Gold Project.

Plant and Equipment means all plant, equipment, infrastructure, machinery, furniture, computer and communications hardware, fixtures and fittings, consumables, spare parts, tools and other maintenance items owned by the Scarborough Group (as defined in clause 1.5(g) of Schedule 2 (Issuer Warranties) as at the opening of business on the settlement date of the Acquisition Agreement.

Project Assets means:

- (a) Plant and Equipment;
- (b) the Lease Contract;
- (c) Contracts and Agreements (as defined in clause 1.5(w) of Schedule 2 – (Issuer Warranties)); and
- (d) the Mining Information and all other information which relates to the Project Assets.

Prospectus means the prospectus to be issued by the Issuer in relation to the Offer Shares.

Regulation S means Regulation S promulgated under the US Securities Act.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given to it in sections 608 and 609 of the Corporations Act.

Representative of a party includes an employee, agent, officer, director, adviser, partner, joint venturer or sub-contractor of that party.

Sapes Gold Project means the gold project relating to Lease Contract 850 and contained within A5 area in Sapes, Greece as described in Section 1.3 of the Explanatory Statement.

Security Interest means a right, interest, power or arrangement in relation to an asset which provides security for the payment or satisfaction of a debt, obligation or liability including without limitation under a bill of sale, mortgage, charge, lien, pledge, trust, power, deposit, hypothecation or arrangement for retention of title, and includes an agreement to grant or create any of those things.

Share means an ordinary share in the capital of the Issuer.

Shareholder means each person registered in the Issuer's register of members as a holder of Shares.

Subscriber Warranties means the representations and warranties set out in clause 5 (**Subscriber Warranties**).

Subscription means the subscription by the Subscriber of the Subscription Shares.

Subscription Amount means the amount calculated by multiplying the number of Subscription Shares by the Subscription Price.

Subscription Price means A\$0.25 for each Subscription Share.

Subscription Shares means that number of Shares as calculated using the following formula:

$$A = (B + C + 16,000,000) \times \frac{19.9}{100}$$

Where:

A = Subscription Shares

B = the issued share capital of the Issuer as at the date of this Agreement

C = the number of Shares to be issued pursuant to the Offer.

Subsidiary has the meaning given to that term in the Corporations Act.

Tax means a tax, levy, charge, impost, fee, deduction, compulsory loan or withholding any nature, including, without limitation, any goods and services tax (including GST), value added tax or consumption tax, which is assessed, levied, imposed or collected by a Government Agency, except where the context requires otherwise. This includes, but is not limited to, any interest, fine, penalty, charge, fee or other amount imposed in addition to those amounts, but excludes Duty.

Tax Cost means all costs and expenses incurred in:

- (a) managing an inquiry; or

- (b) conducting any objection, action, defence, or proceeding with the purpose of causing a withdrawal, reduction, postponement, avoidance or compromise of a demand or assessment relating to Tax issued by a Governmental Authority under a Tax Law,

in relation to Tax or Duty, but does not include the Tax or Duty.

Third Party means a party other than the Subscriber or an Associate of the Subscriber.

Thrace Minerals SA means Thrace Minerals SA (known as "Thrace Minerals Societe Anonyme Mining Exploration and Expolitation, Industrial, Shipping and Commercial Company" trading as 'Thrace Minerals Exploration and Mining SA') (a company incorporated pursuant to the laws of Greece with Registration Number 28962/01/B/93/357/96).

Threshold Number means 10% or more of the issued and outstanding Shares as at the relevant calculation date.

Transfer means to, directly or indirectly, sell, transfer, grant, assign, encumber, pledge or otherwise convey or dispose of, or commit to do any of the foregoing.

US Securities Act means US Securities Act of 1933, as amended.

2 Interpretation

In this Agreement the following rules of interpretation apply unless the contrary intention appears.

- (a) "**this Agreement**" means this Subscription Agreement, including the recitals and schedules hereto, and not any particular clause, section or other subdivision or recital hereof, and includes any agreement, document or instrument entered into, made or delivered pursuant to the terms hereof, as the same may, from time to time, be supplemented or amended and in effect;
- (b) headings are for convenience only and do not affect the interpretation of this Agreement.
- (c) the singular includes the plural and vice versa.
- (d) words that are gender neutral or gender specific include each gender.
- (e) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (f) the words 'such as', 'including', 'particularly' and similar expressions are not used as nor are intended to be interpreted as words of limitation.
- (g) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, Government Agency, association, corporation or other body corporate;
 - (ii) a thing (including but not limited to a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;

- (iv) a document includes all amendments or supplements to that document;
- (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this Agreement;
- (vi) this Agreement includes all schedules and attachments to it;
- (vii) a law includes:
 - (A) any constitutional provision, treaty, decree, statute, regulation, by-law, ordinance or instrument;
 - (B) any order, direction, determination, approval, requirement, licence or licence condition made, granted or imposed under any of them;
 - (C) any judgment or enforceable decision of a Government Agency; and
 - (D) any rule or principle of common law or equity,

and is a reference to that law as amended, consolidated, replaced, overruled or applied to new or different facts;
- (viii) an agreement other than this Agreement includes an undertaking, or legally enforceable arrangement or understanding whether or not in writing; and
- (ix) a monetary amount is in Australian dollars.
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.
- (i) in determining the time of day where relevant to this Agreement, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under this Agreement, the time of day in the place where the party required to perform an obligation is located.
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Agreement or any clause of it.
- (k) if there is any conflict between the body of this Agreement and its schedules, the terms of the main body of this Agreement will prevail.

Schedule 2

1 Issuer Warranties

1.1 The Issuer's Incorporation and Existence

- (a) The Issuer is a body corporate validly existing under the laws of its place of incorporation.
- (b) The Issuer has the power and capacity to enter into and perform its obligations under or in connection with this Agreement and to own its assets and to carry on its business as it is now being conducted.
- (c) The business and affairs of the Issuer have at all times been and continue to be conducted in accordance with:
 - (i) the Constitution;
 - (ii) the Corporations Act;
 - (iii) the ASX Listing Rules; and
 - (iv) applicable law.
- (d) No Insolvency Event has occurred in relation to the Issuer or any of its Subsidiaries.

1.2 Power and Authority

- (a) The Issuer and its directors have taken all necessary action to authorise the signing, delivery and performance of this Agreement and the Acquisition Agreement and the documents required under this Agreement and the Acquisition Agreement in accordance with their respective terms.
- (b) This Agreement and the Acquisition Agreement constitute valid and binding obligations upon the Issuer, Cape Lambert, Rhodopi Minerals Ltd and Mineral Securities (UK) Limited enforceable in accordance with their respective terms, subject to such limitations and prohibitions as may exist or may be enacted in applicable laws relating to bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement or winding-up and other laws, rules and regulations of general application affecting the rights, powers, privileges, remedies and/or interests of creditors generally.
- (c) The signing and delivery of this Agreement and the Acquisition Agreement and the performance by the Issuer of its covenants and obligations under it complies with and do not and will not result in a violation or breach of, and do not and will not conflict with:
 - (i) each applicable law and Authorisation;
 - (ii) the terms, conditions or provisions of the Constitution;
 - (iii) any resolution passed by the directors or shareholders of the Issuer;

- (iv) the ASX Listing Rules;
 - (v) a Security Interest or document binding on the Issuer; and
 - (vi) any agreement, arrangement, commitment, or understanding to which the Issuer is a party.
- (d) There is no restriction on the issue of the Subscription Shares and the issue and allotment of the Subscription Shares will not trigger any pre-emptive or similar right held by any person.
- (e) So far as the Issuer is aware, the Issuer is not in breach of any provision of:
- (i) the Corporations Act;
 - (ii) any other applicable laws;
 - (iii) the ASX Listing Rules;
 - (iv) the Constitution; or
 - (v) any legally binding requirement of ASIC or ASX.
- (f) No third party consent, approval, licence, order, authorization, waiver, registration or declaration of, or filing with, any person is required by the Issuer in connection with this Agreement and the Acquisition Agreement.
- (g) The Issuer is not in default (including cross defaults) under or in violation or breach of, or would, after notice or lapse of time or both, be in default under or in violation or breach of, nor has the Issuer received any notice of default under or violation or breach of, any contract, agreement, indenture or other instrument to which the Issuer is a party or by which the Issuer's property, business or assets are bound, including the Acquisition Agreement.

1.3 Disclosure

- (a) The Issuer is, and has been in the past, in full compliance with its periodic and continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and it is not withholding any excluded information for the purposes of sub-section 708A(6)(c) of the Corporations Act.
- (b) All information in respect of the Issuer given by or on behalf of the Issuer or its Representatives to the Subscriber, or released to ASX, in relation to the Issuer and the Offer, is accurate and complete in all material respects and is not misleading in any material respect.

1.4 Subscription Shares

- (a) When the Subscription Shares are issued they will constitute not less than 19.9% of the issued ordinary share capital of the Issuer and will, upon issue, be fully paid.
- (b) The following table contains a true, complete and accurate description of all the issued shares and options in the Issuer as at the date of this Agreement:

Issued Capital	Number
Issued Shares	37,818,179
Issued Options	15,200,000

- (c) Except as disclosed in the Prospectus, the Issuer is not obliged to issue or allot any Shares or other financial products or other equity interests in or of the Issuer, and the Issuer has not granted any person the right to call for the issue or allotment of any Shares or other financial products or other equity interests in or of the Issuer.
- (d) The Subscription Shares will not be subject to any pre-emptive right or similar right.
- (e) The Issuer has complied, or will comply, with all applicable Laws in connection with the issuance of the Subscription Shares and the Offer Shares.
- (f) The Subscription Shares and the Offer Shares when issued will be listed on the ASX for trading.
- (g) All issued and outstanding Shares of the Issuer have been validly issued and are fully-paid and non-assessable.
- (h) All Shares and outstanding securities of the Issuer have been issued in compliance with all applicable laws including all applicable securities laws.
- (i) Except as set forth in clause 1.4(b) of this Schedule 2 and the Prospectus, no person has any agreement, option, warrant, right or privilege (whether contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for, issuance of, conversion into or exchange for, any of the Shares or other securities of the Issuer.
- (j) The Issuer is not a party to any agreement, nor aware of any agreement, which in any manner affects the voting control of any of the securities of the Issuer or any of its material Subsidiaries.
- (k) The Issuer and its Associates have not entered into any strategic alliance in respect of the Sapes Gold Project.
- (l) Each Subsidiary of the Issuer validly exists under applicable laws and has the requisite power and capacity to own its assets and property and conduct its businesses as currently owned and conducted.
- (m) Except as disclosed in the Prospectus, all of the outstanding shares and other ownership interests of the Issuer's Subsidiaries are validly issued, fully paid and non-assessable and all securities and other ownership interests owned directly or indirectly by the Issuer are owned free and clear of all Security Interests.
- (n) Except as disclosed in the Prospectus, there are no options, warrants, conversion privileges, calls or other rights, agreements, arrangements, commitments or obligations of the Issuer or any of its Subsidiaries to issue, sell or acquire any securities of such Subsidiary (including any pre-emptive or similar rights granted by the Issuer or any of its Subsidiaries) or securities or obligations of any kind

convertible into or exchangeable for securities or other ownership interests of that Subsidiaries or any other person. There are no outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based on the book value, income or any other attribute of the Issuer's Subsidiaries. Except as contemplated by the Acquisition Agreement and the Prospectus, the Issuer does not hold any equity interest, or right to acquire an equity interest, in any person, other than its interests in its Subsidiaries.

- (o) All Shares and outstanding securities of the Issuer have been issued in compliance with all applicable laws including all applicable securities laws.

1.5 Acquisition warranties

- (a) As at the settlement of the Acquisition Agreement, the shares acquired pursuant to the Acquisition Agreement (**Acquisition Shares**) will constitute 100% of the issued share capital of Scarborough Minerals Overseas Holdings Ltd. (**Scarborough**).
- (b) The Acquisition Shares are fully paid and have been duly issued and allotted.
- (c) As at the settlement of the Acquisition Agreement, the Issuer will be the registered holder and beneficial owner of 100% of the Acquisition Shares, which are free of any encumbrance.
- (d) There are no restrictions on Mineral Securities (UK) Limited (**Seller**) under the Acquisition Agreement from selling, assigning and transferring the full legal and beneficial ownership of the Acquisition Shares to the Issuer on the terms set out in the Acquisition Agreement.
- (e) There is no shareholder agreement, voting trust proxy, or other agreement or understanding relating to the voting of the Acquisition Shares or the shares of a Scarborough subsidiary (**Scarborough Subsidiary**) acquired as a result of the Acquisition Agreement (**Subsidiary Shares**).
- (f) Other than between Scarborough and its subsidiaries, there are no agreements, arrangements or understandings in place in respect of either the Acquisition Shares or the Subsidiary Shares under which:
 - (i) Scarborough is obliged at any time to issue any shares, convertible securities or other securities in Scarborough; or
 - (ii) any Scarborough Subsidiary is obliged at any time to issue any shares or other securities in the Scarborough Subsidiary, as applicable.
- (g) No person is entitled or has claimed to be entitled, to require Scarborough or a Scarborough Subsidiary (together, **Scarborough Group**) to issue any share capital either now or at any future date (whether contingently or not).
- (h) The diagram set out in Part B Schedule 3 accurately depicts the structure of the Scarborough Group, other than one Acquisition Share to be transferred to the Seller prior to settlement of the Acquisition Agreement.
- (i) None of the Scarborough Group members is the holder or beneficial owner of any shares or other capital in any body corporation (wherever incorporated) except as described in Schedule 3.
- (j) The Seller and Scarborough have full power and authority to enter into and perform their obligations under the Acquisition Agreement.

- (k) The Seller and Scarborough have taken all necessary action to authorise the execution, deliver and performance of the Acquisition Agreement in accordance with its terms.
- (l) No Insolvency Event has occurred in relation to the Seller and each Scarborough Group member, nor is there:
 - (i) any act which has occurred or any omission made which may result in an Event of Insolvency occurring in relation to the Seller or a Scarborough Group member; or
 - (ii) facts, matters or circumstances which could reasonably be expected to give rise to an Insolvency Event.
- (m) The entry into and performance of the Acquisition Agreement and all documents executed pursuant to the Acquisition Agreement by the Seller and Scarborough does not constitute a breach of any obligation (including any statutory, contractual or fiduciary obligation), or default under any agreement or undertaking, by which a Scarborough Group member is bound.
- (n) Each Scarborough Group member is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation.
- (o) The Seller and Scarborough have taken all necessary action to authorise the execution, delivery and performance of the Acquisition Agreement in accordance with its terms.
- (p) Each member of the Scarborough Group:
 - (i) is duly registered, has full corporate power to own its assets and to carry on its business as now conducted;
 - (ii) has done everything necessary to do business lawfully in all jurisdictions in which its business is carried on; and
 - (iii) has conducted the business in compliance with its constitution.
- (q) To the best of the Seller's knowledge, information and belief the register of shareholders, statutory books and other registers of each of the Scarborough Group members are up to date and have been properly kept in accordance with the requirements of all applicable laws. No notice or allegation that any of them is incorrect or should be rectified has been received, and all transfers recorded in the register have been properly stamped.
- (r) No Scarborough Group member has received notice of any application or intended application for altering its register of shareholders or any other register which it is required by law to maintain.
- (s) To the best of the Seller's knowledge, information and belief each document or filing which is required by law to be delivered or made to any Governmental Authority by a Scarborough Group member has been duly delivered or made.
- (t) The accounts of the Scarborough Group for the period from 1 July 2010 and ended on 30 June 2011, adjusted for material transactions expected to occur after 30 June 2011, as set out in Schedule 4 (**Management Accounts**) disclose a true and fair view of the state of the affairs, financial position and assets and liabilities of the Scarborough Group as at 30 June 2011 (adjusted for material transactions

occurring subsequent to 30 June 2011), and are complete, accurate and are not misleading or deceptive in any respect.

- (u) The Management Accounts:
 - (i) subject to paragraph (iii), include all such reserves and provisions for tax as are adequate to cover all tax liabilities (whether or not assessed and whether actual, contingent, deferred or otherwise) of each Scarborough Group member up to 30 June 2011;
 - (ii) the Subscriber acknowledges that the provisions for taxation required for transactions of each Scarborough Group member occurring post 30 June 2011 have not been determined as at the execution date of the Acquisition Agreement;
 - (iii) contain adequate provisions in respect of all other liabilities (whether actual, contingent, deferred or otherwise) of the Scarborough Group as at 30 June 2011 and proper disclosure (in note form) of any contingent or other liabilities not included or provided therein; and
 - (iv) were prepared:
 - (A) in accordance with the relevant accounting standards prescribed by the jurisdiction(s) in which it operates and applied on a consistent basis and without making any revaluation of assets; and
 - (B) in the manner described in the notes to them.
- (v) Since 30 June 2011, other than as contemplated by the Acquisition Agreement:
 - (i) no dividend or distribution of capital or income has been declared, made, paid or determined to be payable in respect of any share capital or units of any Scarborough Group member;
 - (ii) no Scarborough Group member has issued any shares, securities, units or loan capital convertible into shares or units or bought back any shares or reduced or otherwise altered or agreed to alter its share capital other than Thrace Minerals SA (as reflected in the statutory books and accounts of that entity);
 - (iii) no Scarborough Group member has entered into any contracts or arrangement with its shareholders or any of their related entities otherwise than on arms' length terms; and
 - (iv) each Scarborough Group member has carried on its business in the ordinary, regular and normal course, no material asset has been acquired or disposed of, no material liability has been incurred, except in the ordinary course of business, no material contingent liability has been incurred by any Scarborough Group member.
- (w) To the best of the Seller's knowledge, information and belief, every contract, agreement and commitment entered into by the Scarborough Group (or assumed or novated to the Scarborough Group including in connection with the Sapes Gold Project) before the execution date of the Acquisition Agreement and between the execution date and settlement date of the Acquisition Agreement which are not fully performed as at the Settlement Date (**Contracts and Agreements**) instrument or other commitment to which a Scarborough Group member is a party is valid and

binding according to its terms and, without prejudice to any other warranty and no party to any such commitment is in material default under the terms of that commitment.

- (x) To the best of the Seller's knowledge:
 - (i) no Scarborough Group member is in material default of any Contract and Agreement, nor has anything occurred or been omitted which would be a material default but for the requirements of notice or lapse of time or both under Contract and Agreement;
 - (ii) no person is in material breach or default under any Contract and Agreement with a Scarborough Group member, nor has anything occurred or been omitted which would be a material breach or default but for the requirements of notice or lapse of time or both under any Contract and Agreement;
 - (iii) there are no grounds for termination, rescission, avoidance or repudiation of any Contract and Agreement.
- (y) To the best of the Seller's knowledge no Scarborough Group member is party to a Contract and Agreement which will terminate as a result of a change of ownership of the shares.
- (z) As at the date of the Acquisition Agreement, no Scarborough Group member has received or given any notice of termination of any agreement to which it is a party which remains outstanding.
- (aa) All of the Project Assets are:
 - (i) fully paid for;
 - (ii) either the absolute property of the Scarborough Group and clear of all encumbrances or used by Scarborough under a contract under which it is entitled to use the assets on the terms and conditions of such a contract; and
 - (iii) in the possession of Scarborough, its agent or nominee,except as otherwise identified in the Acquisition Agreement.
- (bb) Thrace Minerals SA is the legal and beneficial owner of the Lease Contract and, no person has any rights of any nature in respect of the Lease Contract unless otherwise disclosed in the Acquisition Agreement.
- (cc) No Scarborough Group member has any legal or beneficial interest in any mining tenement, permit or right other than the Lease Contract.
- (dd) To the best of the Seller's knowledge, information and belief, at settlement of the Acquisition Agreement, the Lease Contract will be free from all mortgages, charges, liens and other Encumbrances of whatsoever nature.
- (ee) To the best of the Seller's knowledge, information and belief, there is no litigation or proceeding of any nature concerning the Lease Contract, pending or threatened against Scarborough, the Scarborough Subsidiaries, or any other person which may defeat, impair, detrimentally affect or reduce the right, title and interest of Scarborough or the Scarborough Subsidiaries in the Lease Contract, including any claim seeking forfeiture of the Lease Contract.

- (ff) To the best of the Seller's knowledge, information and belief, the Lease Contract has been duly marked off, applied for and granted in accordance with the Mining Law.
- (gg) To the best of the Seller's knowledge, information and belief, the Lease Contract is in full force and effect and is and remains in full force and effect and is and remains not liable to cancellation, forfeiture, appropriation, non-renewal or non-grant for any reason and Thrace Minerals SA is not in breach or contravention of any of the terms of the Lease Contract.
- (hh) To the best of the Seller's knowledge, information and belief, the Seller and Cape Lambert have disclosed all material information regarding the Sapes Gold Project and all necessary Governmental Authority approvals and consents required for the First Milestone to occur.
- (ii) To the best of the Seller's knowledge, information and belief, the Seller and Cape Lambert are satisfied that the legal opinion obtained for or on behalf of Thrace Minerals SA as to the requirement for Governmental Authority consents and approvals to the transaction contemplated by the Acquisition Agreement (**Legal Opinion**) is reasonable and they are not aware of any information that may render the Legal Opinion incomplete, incorrect or misleading. For the avoidance of doubt, the Issuer will not be liable for any Loss suffered by the Subscriber that may arise as a result of any inaccuracy contained in the Legal Opinion.
- (jj) The pro forma historical financial statements of the Issuer and its Related Bodies Corporate, together with the notes thereto, included in the Prospectus present fairly in all material respects the financial position of the Issuer and its Related Bodies Corporate as of the dates shown and the results of operations for the periods shown in accordance with applicable laws and the basis of preparation and assumptions set out in the notes to those statements have been applied on a consistent basis throughout the periods involved. The assumptions used in preparing the pro forma financial statements included in the Prospectus provide a reasonable basis for presenting the effects directly attributable to the transactions or events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma columns therein reflect the proper application of those adjustments to the corresponding historical financial statement amounts.
- (kk) No litigation, prosecution, arbitration, mediation, or other proceedings relating to Scarborough or any Scarborough Subsidiary:
 - (i) has been on foot in the 3 years prior to the execution date of the Acquisition Agreement;
 - (ii) is current;
 - (iii) is pending or threatened; or
 - (iv) might reasonably be expected to arise as a result of current circumstances.
- (ll) There is no pending, threatened or unsatisfied judgment, order, arbitral award, ruling, declaration, decree or decision of any court, tribunal, arbitrator or Governmental Authority or unsatisfied settlement or proceedings in any court, tribunal or arbitration, which could reasonably be expected to adversely affect the Scarborough Group.
- (mm) No Scarborough Group member:

- (i) has been subject to any investigation or enquiry in any jurisdiction by any Government Agency_ and none is pending or threatened.
 - (ii) received any request for information from any court, Governmental Authority in any jurisdiction in relation to Scarborough or any Scarborough Subsidiary.
- (nn) No circumstances exist that might reasonably be expected to give rise to an investigation, enquiry or request for information of the kind referred to in clause 1.5(mm).
- (oo) A Scarborough Group member does not hold or own shares or other securities in another company other than a Scarborough Group member.
- (pp) The details of the current officers, auditors and public officers of each Scarborough Group member are as shown in Part A of Schedule 3.
- (qq) The Scarborough Group's business has been conducted in all material respects in accordance with applicable laws and regulations.
- (rr) No Scarborough Group member has received written notice from a Governmental Authority within the last 12 months advising they have not, in any material respect, complied with any law, which would be expected to have a material adverse effect on the entity or its business.
- (ss) The Scarborough Group has all of the material permits, licences, consents, water entitlements and other authorisations required to conduct their businesses (**Approvals**) and the Approvals are valid and in good standing.
- (tt) Each Scarborough Group member has ownership of or the rights to use all assets materially necessary to enable that member to continue to carry on its business in substantially the same manner carried on at the date of the Acquisition Agreement.
- (uu) No encumbrance or other third party interests or rights exist over any of the assets of a Scarborough Group member.
- (vv) No Scarborough Group member has any monetary liability or indebtedness (whether present or future, actual or contingent) (other than a loan owing to Dempsey Resources Limited as at the execution date of the Acquisition Agreement, being \$32.5 million).
- (ww) All employees of the Scarborough Group at the execution date of the Acquisition Agreement (**Employees**) have been disclosed to Issuer.
- (xx) Neither the Seller or any Scarborough Group member have entered into or made any contract, arrangement, understanding or representation (whether written or oral) under which one or more Employee, or any contractors or agents of a Scarborough Group member, will or may be entitled to any benefit (monetary or otherwise) on the sale of the shares acquired pursuant to the Acquisition Agreement.
- (yy) The Issuer is not aware of:
 - (i) any outstanding claim, or any potential claim, against a Scarborough Group member by or on behalf of any past or present employee or contractor; or

- (ii) any issue (including the expiry of any award, enterprise agreement or other instrument made or approved under law) which may lead to industrial action involving a Scarborough Group member or the Employees.
- (zz) No remuneration or other sum of money whatsoever is due from a Scarborough Group member to any of its officers, Employees, consultants or former officers, employees or consultants other than the outstanding part of any current salaries, commission or fees payable to the present officers, employees and consultants which have been disclosed to the Issuer and which are not more than one months in arrears.
- (aaa) A Scarborough Group member has not paid or agreed to pay any redundancy, retirement or other amount consequent upon the termination of employment of any of the Employees.
- (bbb) The Acquisition Agreement constitutes a legal, valid and binding obligation on the Issuer and is enforceable in accordance with its terms (subject to laws generally affecting creditors rights and to principles of equity).

1.6 Offer Management Warranties .

- (a) The pro-forma summary and selected financial data set forth in the Prospectus presents fairly on the basis referred to under such caption, the information shown therein and has been compiled on a basis consistent with that of the pro forma historical financial statements of the Issuer and its subsidiaries included in the Prospectus.
- (b) The financial statements referred to in the Prospectus present fairly the financial position of the Australian operations of the Issuer and its subsidiaries as of the dates shown and the results of operations for the periods shown in accordance with the applicable laws and any applicable mandatory financial reporting requirements, and the basis of preparation and combination and assumptions set out in the notes to those statements, applied on a consistent basis throughout the periods involved.
- (c) the pro forma financial information (including the assumptions and sensitivities) included in the Prospectus:
 - (i) were made after due and careful enquiry using assumptions believed by the management and directors of the Issuer to be reasonable; and
 - (ii) have been properly compiled on the basis described therein.
- (d) The Issuer holds each authorisation (and is complying with any conditions to which any authorisation is subject) that is necessary or desirable to ensure that the Offer Management Agreement is legal and binding and admissible in evidence and to enable it to properly carry on its business.
- (e) The Prospectus:
 - (i) complies with all applicable laws, including the Corporations Act, and the ASX Listing Rules (including without limitation Chapter 5 and Appendix 5A of the ASX Listing Rules);
 - (ii) does not contain a statement which is misleading or deceptive and does not omit information required by the Corporations Act or any other applicable law; and

- (iii) is not misleading or deceptive and is not likely to mislead or deceive, and the distribution of the Prospectus in itself will not constitute conduct by any person which is misleading and deceptive or likely to mislead or deceive.
- (f) The Issuer is a "foreign private issuer" (as defined in Rule 405 under the US Securities Act).
- (g) There is no "substantial US market interest" (as defined in Rule 902(j)) under the US Securities Act in the Offer Shares.
- (h) With respect to the Offer Shares sold in reliance on Regulation S, none of the Issuer, its affiliates or any person acting on its behalf (other than the lead manager or their affiliates or any person acting on behalf of any of them, as to whom the Issuer makes no representation), has engaged in, or will engage in, any "directed selling efforts" (as defined in Rule 902(c) under the US Securities Act).
- (i) The Issuer is not, and upon the sale of the Offer Shares and the application of the net proceeds from such sale, will not be, required to register as an "investment company" under the US Investment Company Act.
- (j) Neither the Issuer nor any of its Related Bodies Corporate have taken or will take, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in the stabilisation or manipulation of the price of the Shares to facilitate the sale or resale of the Offer Shares in violation of any applicable law.
- (k) The Issuer has not engaged in, nor will it engage in, conduct that is misleading or deceptive or which is likely to mislead or deceive in connection with the issue of the Prospectus or the making of the Offer.
- (l) At the time of publication and at all times on or before the expiry of the Offer period, all public statements, announcements, releases, advertisements and roadshow or other promotional materials made or published by the Issuer or on its behalf relating to the affairs of the Issuer (**Public Information**) shall:
 - (i) not be misleading or deceptive or be likely to mislead or deceive; and
 - (ii) comply with all applicable laws,and the distribution of the Public Information in itself will not constitute conduct by any person which is misleading and deceptive or likely to mislead or deceive.
- (m) Any statement of opinion or belief contained in the Prospectus or in any Public Information shall be truly and honestly held by the person making the statement, and the maker of the statement shall have reasonable grounds for holding the opinion or belief.
- (n) There are reasonable grounds for the making of all statements relating to future matters (including, without limitation, financial forecasts) contained in the Prospectus or any Public Information.
- (o) All due diligence and verification procedures in relation to the Offer have been properly implemented and fully carried out in accordance with the planning memorandum, statements contained in the Prospectus have been verified by appropriately qualified persons, the due diligence report is the result of the investigations described in the planning memorandum, and the Issuer has conducted and will continue until completion of the Offer to conduct due diligence investigations in accordance with the planning memorandum, including making all

reasonable enquiries to ensure that there are no omissions from the Prospectus of a matter required to be disclosed by Chapter 6D of the Corporations Act and that the statements included in the Prospectus are not and do not become misleading or deceptive.

- (p) Neither the Issuer nor any Related Body Corporate has contravened any provision of its constitution, the Corporations Act, the ASX Listing Rules or any other applicable law or requirement of ASX or ASIC or any agreement binding on it (including the Acquisition Agreement) to the extent that it is material to the making of an informed investment decision in relation to the Offer Shares.
- (q) Except as disclosed in the Prospectus neither the Issuer or a Related Body Corporate of the Issuer is involved in any litigation, arbitration or administrative proceeding which is material in the context of the Offer nor is any such litigation, arbitration or administrative proceeding pending or threatened.
- (r) There is no contract to which the Issuer or any Related Body Corporate is or will become a party which is material to the making of an informed investment decision in relation to the Offer which has not been disclosed as a material contract in the Prospectus;
- (s) The Issuer and its Related Bodies Corporate have good legal title to all of the assets (including any intellectual property) which are needed to conduct their businesses as described in the Prospectus, free and clear of Encumbrances any kind.
- (t) Except as disclosed in the Prospectus, the Issuer and its Related Bodies Corporate:
 - (i) have good and marketable title to all material properties and assets owned by them, in each case, free and clear of Encumbrances of any kind;
 - (ii) hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use of such property; and
 - (iii) have made all declarations and filings with the appropriate Government Agency that are necessary for the ownership or lease of their properties or conduct of their respective businesses.
- (u) Since the date of each of the Issuer's last audited financial accounts:
 - (i) the business of the Issuer has been carried on in the ordinary and usual course;
 - (ii) there has been no change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Issuer from that set out in its last audited financial accounts (**Accounts**) except for changes in the ordinary and usual course of business, none of which individually or in the aggregate could reasonably be expected to have an adverse effect material to its assets, liabilities, financial position or performance, profits, losses or prospects or that of its controlled entities (taken as a whole group); and
 - (iii) its assets, liabilities, financial position or performance, profits, losses or prospects and that of its controlled entities (taken as a whole group) have not been materially or adversely affected by any matter, either financial or otherwise.

- (v) The Issuer and each of its Related Bodies Corporate maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorisations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorisation; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (w) Except as disclosed in the Prospectus, there has been no occurrence which has or will (either itself or together with any other occurrence) materially adversely affect:
 - (i) the value of the Offer Shares; or
 - (ii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Issuer.
- (x) The Issuer and its subsidiaries are capitalised as described in the Prospectus, and all of the issued Shares of the Issuer have been duly and validly issued, and are fully paid; no person is entitled to pre-emptive or other rights to acquire the Shares; except as described in the Prospectus, there are no outstanding securities convertible into or exchangeable for, or warrants, rights or options to purchase from the Issuer or any of its subsidiaries, or obligations of the Issuer or any of its Subsidiaries to issue, any class of shares; and there are no restrictions on subsequent transfers of the Offer Shares under the laws of Australia except as described in the Prospectus.
- (y) Except as disclosed in the Prospectus, the Issuer, and so far as the Issuer is aware, Scarborough and each subsidiary thereof holding a direct or indirect interest in the Sapes Gold Project (**Scarborough Minerals Group Companies**) hold and are in compliance with, all licences, certificates, permits, Authorisations or consents which are material to the conduct of their businesses (including environmental licences, certificates, permits, Authorisations or consents), and all such licences, certificates, permits, Authorisations and consents are in full force and effect and not liable to be revoked or not renewed.
- (z) The Offer Shares will be fully paid, validly issued and allotted free from all liens, charges and other Encumbrances and conform to the description of Offer Shares contained in the Prospectus and will be validly issued, and rank equally in the Issuer's existing Shares.
- (aa) The Issuer's execution of the Offer Management Agreement or the carrying out by it of the transactions that the Offer Management Agreement or the Acquisition Agreement contemplates, does not or will not:
 - (i) contravene any law to which it is subject or any order of any Government Agency that is binding on it;
 - (ii) contravene any authorisation or any legally binding requirement of ASIC or ASX;
 - (iii) contravene any undertaking or instrument binding on it;
 - (iv) contravene the ASX Listing Rules; or
 - (v) contravene its constitution.

- (bb) The Issuer and the Scarborough Minerals Group Companies are insured by, or are the beneficiaries of, policies issued by, insurers of recognised financial responsibility against such losses and risks and in such amounts as are reasonably prudent and customary in the businesses in which they are engaged. Except as fully and fairly disclosed in the Prospectus, all policies of insurance insuring the Issuer or its businesses, assets, employees, officers and directors are in full force and effect and the Issuer and its subsidiaries are in compliance with the terms of such policies and instruments, except where failure to be in full force and effect or non-compliance would have a Material Adverse Effect.
- (cc) Except as fully and fairly disclosed in the Prospectus and as could not reasonably be expected to have a Material Adverse Effect, no labour dispute with employees of the Issuer exists, or is threatened.
- (dd) Except as fully and fairly disclosed in the Prospectus, there are no contracts, agreements or understandings between the Issuer and any person that would give rise to a valid claim against the Issuer for a brokerage commission, finder's fee or other like payment in connection with the Offer.
- (ee) The Issuer and its Related Bodies Corporate or, to the best of the Issuer's knowledge, any director, officer, agent, employee or other person associated with, or acting on behalf of, the Issuer or its Related Bodies Corporate has:
- (i) used any corporate funds for any unlawful or unethical contribution, gift, entertainment or unlawful expense relating to political activity;
 - (ii) made any direct or indirect unlawful or unethical payment to any foreign or domestic government official or employee;
 - (iii) attempted to pay or paid any bribe, rebate, pay-off, influence payment, facilitation payment, kick-back or other unlawful or unethical payment; or
 - (iv) violated or breached any provision of the US Foreign Corrupt Practices Act of 1977, the Anti-Terrorism, Crime and Security Act 2001, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the UK Bribery Act 2010, the Criminal Code Act 1995 (Cth) or any similar anti-bribery or anti-corruption law or regulation of any other jurisdiction,
- or will use the Offer proceeds for any of the uses set out in this paragraph.
- (ff) The operations of the Issuer and its Related Bodies Corporate are and have been conducted at all times in compliance in all respects with all applicable money laundering statutes of Australia and any other applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Government Agency (collectively, the **Money Laundering Laws**) and no action, suit or proceeding by or before any court of government agency, authority or body or any arbitrator involving the Issuer or its Related Bodies Corporate with respect to the Money Laundering Laws is pending or, to the knowledge of the Issuer, threatened.
- (gg) Neither the Issuer, nor any Related Body Corporate, to the knowledge of the Issuer, any director, officer, employee or affiliate of any of them is currently subject to any US sanctions administered by the Office of Foreign Assets Control of the US Department of the Treasury (**OFAC**) and the Issuer will not, directly or indirectly:

- (i) use the Offer proceeds or lend, contribute or otherwise make available such Offer proceeds to any other Related Body Corporate, joint venture partner, government or other person or entity, for the purpose of financing, directly or indirectly, the activities or business of any person or entity currently subject to any US sanctions administered by OFAC including persons on the "Specially Designated Nationals" and "Blocked Persons List" maintained by OFAC, or any equivalent sanctions or measures imposed by the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority (**Sanctions**); or
 - (ii) contribute or otherwise make available the Offer proceeds to any other person or entity if the Issuer has actual knowledge that such party intends to use such Offer proceeds for the purposes of financing the activities of or business with any person or entity, or in any country or territory that, at the time of such funding, is the subject of Sanctions.
- (hh) The Issuer, each Related Body Corporate and each Scarborough Minerals Group Company:
- (i) are in compliance with any and all applicable laws and regulations relating to the protection of human health and safety, the use, disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants or restoration of the environmental or human exposure to hazardous or toxic substances (**Environmental Laws**) and has not received notice of any material actual or potential liability under any Environmental Law;
 - (ii) have received all permits, licences or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and
 - (iii) are in compliance with all terms and conditions of any such permit, licence or approval,

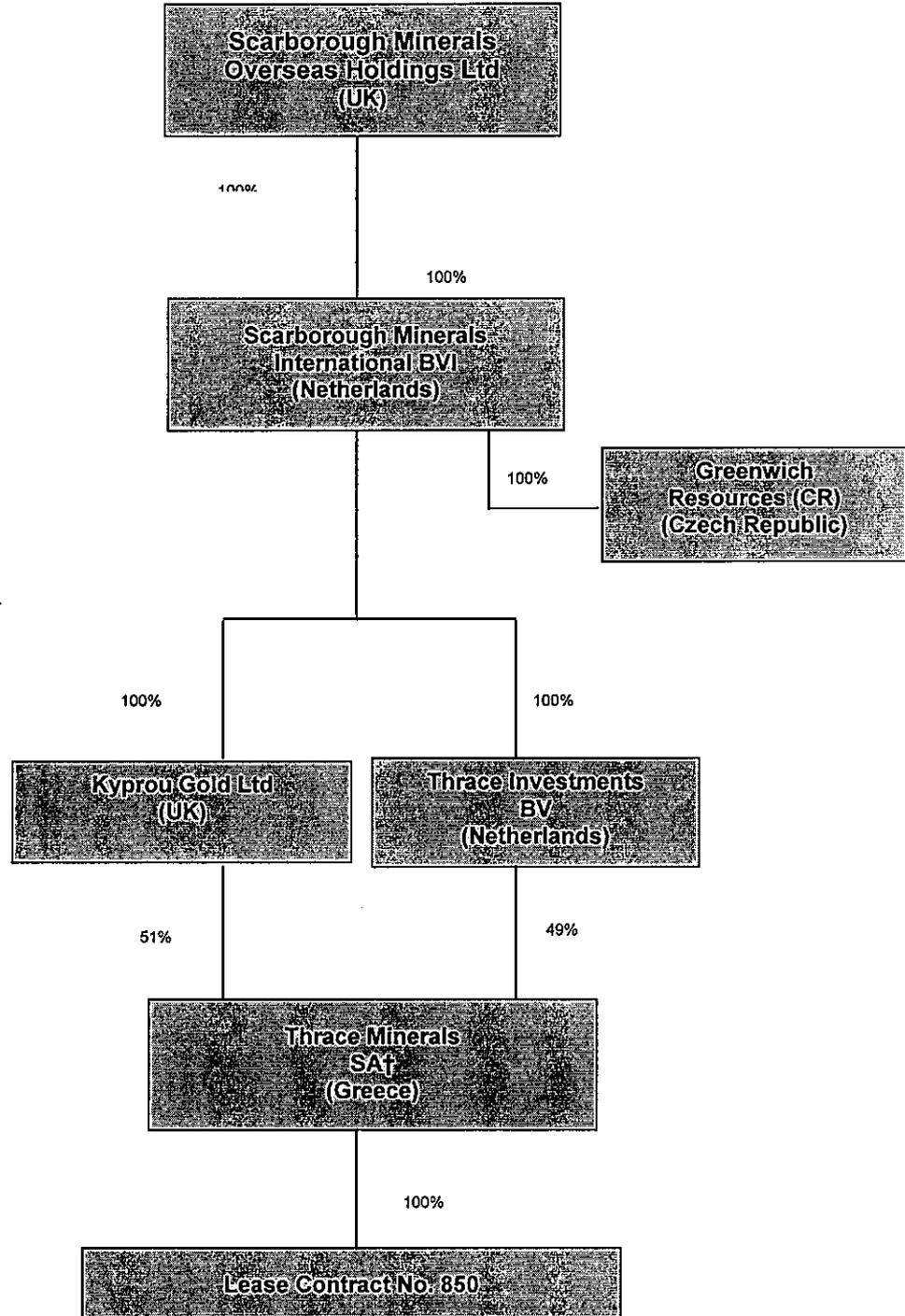
except, in the case of the Issuer or any Related Body Corporate, where such non-compliance with Environmental Laws, failure to receive required permits licences or other approvals or failure to comply with the terms and conditions of such permits, licences or approvals could not, singly or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Schedule 3

Part A:

Subsidiaries	Address	Shares	Officers	Auditors
Scarborough Minerals International BVI	2 Martinus Nijhofflaan, 2624 ES Delft, Netherlands	22,080	Paninvest	Ernst & Young
Greenwich Resources (CR)		10,000	Quick Bridges Seidl Shaw	N/A
Kyprou Gold Ltd	Clock House 140 London Road Guildford Surrey UK	128	MS Corporate Director Ltd Ms Corporate Secretary Ltd	Ernst & Young
Thrace Investments BV	2 Martinus Nijhofflaan, 2624 ES Delft, 2600 AD Delft Netherlands	4,400	Paninvest	Ernst & Young
Thrace Minerals SA †	26 Filellinon Street 105 58 Athens Greece	1,345,500	Tony Sage Constantinos Salanikis Nicolaos Petsas Christos Papandreou	PKF Euroauditing S.A

Part B:



† : The legal name in Greece is 'Thrace Minerals Societe Anonyme Mining Exploration and Expolitation, Industrial, Shipping and Commerical Company' and the trading name in Greece is 'Thrace Minerals Exploration and Mining SA'.

Schedule 4

Balance sheets of the Scarborough Group members as at 30 June 2011 and adjusted for material transactions occurring post 30 June 2011

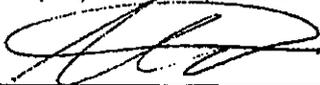
	SMOHL	SMOHL	SMOHL	SMI	SMI	Kyprou	Kyprou	Kyprou	TIBV	TIBV	TMSA
	Initial	Debt forgiveness	Debt assign	Final	Initial	Final	Debt assign	Final	Initial	Final	Final
£	£	£	£	EUR	EUR	£	£	£	EUR	EUR	EUR
Current assets											
Cash at bank	-	-	-	8,557	-	8,557	-	-	7,250	-	441,745
Receivables	-	-	-	-	-	-	-	-	-	-	14,969
Non-current assets											
Restricted cash	-	-	-	-	-	-	-	-	-	-	7,384
Investments in Subsidiaries											
SMI	6,061,428	-	-	6,061,428	-	-	-	-	-	-	-
KG and TIBV	-	-	-	508,680	-	508,680	-	-	-	-	-
TMSA	-	-	-	-	-	4,869,893	-	4,869,893	5,531,149	-	5,531,149
Provision	-	-	-	-	-	(334,953)	-	(334,953)	-	-	-
	6,061,428	-	-	6,061,428	508,680	508,680	-	4,534,940	5,531,149	-	5,531,149
Land											
Land	-	-	-	-	-	-	-	-	-	-	49,871
Group loans											
SMIBV-TIBV	-	-	-	4,781	(4,781)	-	-	-	(4,781)	4,781	-
SMF – SMOHL	(21,019,836)	5,522,090	15,497,746	-	-	-	-	-	-	-	-
SMF – KG	-	-	-	-	-	(223,695)	223,695	-	-	-	-
SMF – TIBV	-	-	-	-	-	(5,603,373)	5,603,373	-	(1,784,865)	1,784,865	-
SMPCLC – KG	-	-	-	-	-	5,245	(5,245)	-	-	-	-
SMPCLC – KG	-	-	-	-	-	-	-	-	-	-	-
SMPCLC – SMOHL	5,612,342	-	(5,612,342)	-	-	-	-	-	-	-	-
SMPCLC – TIBV	-	-	-	-	-	-	-	-	(4,415,438)	4,415,438	-

Profit and loss statements of the Scarborough Group members for the year ended 30 June 2011 and adjusted for material transactions occurring post 30 June 2011

	SMOHL	SMOHL	SMOHL	SMI	Kyprou	TIBV	TMSA
	Initial	Debt	Final	Final	Final	Final	Final
	£	forgiveness	£	EUR	£	EUR	EUR
Employee benefits expense							
Other staff costs	-			-	-	-	41,989
	-			-	-	-	41,989
Consulting expenses							
Legal Fees	-			-	-	850	
Tax services	-			1,012	-	-	
Tax services	-			-	-	3,035	
Other professional fees	-			-	-	-	227,283
Company Secretary Costs	-			-	-	-	
Company Secretary Costs	-			-	-	3,719	
	-			1,012	-	7,603	227,283
Occupancy costs							
Rent	-			-	-	-	25,205
Utilities	-			-	-	-	1,069
Building insurance	-			-	-	-	875
Repairs & maintenance	-			-	-	-	3,406
	-			-	-	-	30,554
Compliance and regulatory costs							
Taxes and duties	-			-	-	-	58,629
	-			-	-	-	58,629
Other expenses							
Administrative Costs	-			5,695	-	2,571	
Telephone & Fax	-			-	-	-	1,172
Postage	-			-	-	-	211
Other Corporate Costs	-			3,719	-	265	
Bank Charges	-			485	-	492	
Other expenses	-			-	-	-	38,669
	-			9,899	-	3,329	40,052
Finance costs							
Interest & other charges	-			-	-	-	6,048
	-			-	-	-	6,048
Depreciation and amortisation							
Depreciation	-			-	-	-	9,947
	-			-	-	-	9,947
	SMOHL	SMOHL	SMOHL	SMI	Kyprou	TIBV	TMSA
	Initial	Debt	Final	Final	Final	Final	Final
	£	forgiveness	£	EUR	£	EUR	EUR
Net operating loss	-	-	-	(10,910)	-	(10,931)	(414,501)
Foreign exchange gains / (losses)	-	-	-	-	14,630	319,381	-
Inter co loan forgiven	-	5,522,090	5,522,090	-	-	-	-
NET PROFIT / (LOSS)	-	5,522,090	5,522,090	(10,910)	14,630	308,450	(414,501)

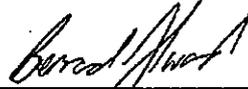
Execution page

Signed for **Glory Resources Limited** in accordance with section 127 of the *Corporations Act 2001* (Cth) and in the presence of:



Signature of director

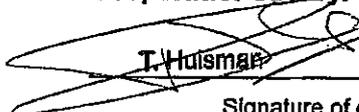
Jason Denton
Name of director (print)



Signature of director/secretary

BERNARD AYLWARD
Name of director/secretary (print)

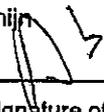
Signed and delivered by **Eldorado Gold Cooperatief U.A.** by ~~Intertrust (Netherlands) B.V.~~ Managing Director



T. Huismar

Signature of director

Name of director (print)

A. Konijn


Signature of director/secretary

Name of director/secretary (print)