

**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme Eastern Goldfields Limited

ACN/ARSN 100 038 266

**1. Details of substantial holder (1)**

Name Hawke's Point Holdings Limited (Hawke's Point) and each of the entities listed in Annexure "A" (Hawke's Point Group Entities).

ACN/ARSN (if applicable) Not applicable

The holder became a substantial holder on 02/02/2018

**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	87,500,000	87,500,000	12.18% (based on 718,552,084 ordinary shares on issue)

**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
Hawke's Point	Relevant interest under s 608(1) of the Corporations Act 2001 (Cth), being a relevant interest arising through Hawke's Point being the registered holder of the shares (see Annexure "B" for further details).	87,500,000 ordinary shares
Hawke's Point Group Entities	Relevant interest under s 608(3)(a) and/or s 608(3)(b) of the Corporations Act 2001 (Cth) being a relevant interest held through a body corporate (Hawke's Point) in which the voting power of the relevant Hawke's Point Group Entity is more than 20% or which the relevant Hawke's Point Group Entity controls.	87,500,000 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
Hawke's Point and each Hawke's Point Group Entity	Hawke's Point	Hawke's Point	87,500,000 ordinary shares

**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	
Hawke's Point and each Hawke's Point Group Entity	02/02/2018	A\$17,500,000	N/A	87,500,000 ordinary shares

## Annexure "A" – Hawke's Point Group Entities

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This is Annexure "A" of 1 page referred to in the Form 603 (Notice of initial substantial holder), signed by me and dated 5 February 2018.



Erik Caspersen  
Authorised Signatory, Hawke's Point Holdings Limited

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### Hawke's Point Group Entities

Entity	ACN/ARSN
Hawke's Point Holdings L.P	Not applicable
Hawke's Point GP Limited	Not applicable
Hawke's Point Manager L.P	Not applicable
Polygon Global Partners LLP	Not applicable
Polygon Global Partners LP	Not applicable
Tetragon Financial Group Limited and each of its related bodies corporate	Not applicable



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## Agreement

**EXECUTION VERSION**

# Subscription agreement

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Eastern Goldfields Limited

Hawke's Point Holdings L.P.



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## 1 Definitions and interpretation

### 1.1 Definitions

The meanings of the terms used in this document are set out below.

Term	Meaning
<b>10% Shareholding</b>	at least 10% of the shares on issue in the Company (excluding any Eastern Goldfields Shares issued through stock options plans and any new issue of shares in which the Subscriber, its Nominee or its Affiliates was not given an opportunity to participate) except where the Subscriber, its Nominee or its Affiliates ceases to hold at least 10% of the Eastern Goldfields Shares for a period less than 30 consecutive Trading Days or as the result of non-compliance by the Company with the requirements of clause 7.
<b>Aboriginal Heritage Laws</b>	means: <ol style="list-style-type: none"> <li>1 the <i>Aboriginal Heritage Act 1972</i> (WA); and</li> <li>2 the <i>Aboriginal and Torres Strait Islander Heritage Protection Act 1984</i> (Cth).</li> </ol>
<b>Accounting Standards</b>	<ol style="list-style-type: none"> <li>1 the accounting standards required under the Corporations Act (including the Approved Accounting Standards Issued by the Australian Accounting Standards Board) and other mandatory professional reporting requirements issued by the joint accounting bodies (including the Australian Accounting Standards issued either jointly by CPA Australia and the Chartered Accountants Australia and New Zealand or by the Australian Accounting Research Foundation on behalf of CPA Australia and the Chartered Accountants Australia and New Zealand); and</li> <li>2 if no accounting standard applies under the Corporations Act or other mandatory professional reporting requirements, the principles set out in Australian Statements of Accounting Concepts.</li> </ol>
<b>Accounts</b>	the audited balance sheet of the Company and its controlled entities as at the Accounts Date and the audited profit and loss accounts of the Company and its controlled entities for the year ending on the Accounts Date.
<b>Accounts Date</b>	30 June 2017.
<b>Additional Purchasers</b>	sophisticated, professional and/or institutional investors, including Michael Fotios.



## 1 Definitions and Interpretation

Term	Meaning
<b>Business Day</b>	a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday in Perth, Western Australia.
<b>Claim</b>	any claim, demand, legal proceedings or cause of action, including any claim, demand, legal proceedings or cause of action under common law or under statute in any way relating to this agreement or the HP Placement, and includes a claim, demand, legal proceedings or cause of action arising from a breach of Warranty, or under an indemnity in this agreement.
<b>Company Warranties</b>	the representations and warranties set out in Schedule 4.
<b>Conditions Precedent</b>	the conditions precedent set out in clause 2.1.
<b>Conditions Precedent Cut Off Date</b>	9 February 2018 or such other later date agreed in writing by the parties.
<b>Confidentiality Deed</b>	the confidentiality deed between the Company and the Subscriber dated 15 September 2017.
<b>Constitution</b>	the constitution of the Company as amended or varied from time to time.
<b>Corporate Warranties</b>	each Company Warranty set out in Part A of Schedule 4.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Disclosure Document</b>	the meaning given in section 9 of the Corporations Act.
<b>Disclosure Materials</b>	1 all documents and information which were at any time during the period commencing on and up to 15 January 2018 contained in the Company Dropbox data room made available to the Subscriber, its representatives or advisers as listed in the index initiated by the parties prior to the date of this agreement and contained in the electronic copy of information contained in the Dropbox dataroom provided by the Company to the Subscriber prior to the date of this agreement;



## 1 Definitions and Interpretation

Term	Meaning
<b>Eastern Goldfields Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Eastern Goldfields Shareholders' Meeting</b>	a general meeting of the shareholders of the Company to approve (amongst other things) the issue of the Subscription Securities to the Subscriber for all purposes, including (without limitation) for the purposes of ASX Listing Rule 7.1.
<b>Eastern Goldfields Tenements</b>	each of the mining tenements set out in Schedule 7.
<b>Encumbrance</b>	any interest or power: <ol style="list-style-type: none"> <li>reserved in or over any interest in any asset including, but not limited to, any retention of title; or</li> <li>created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, by way of, or having similar commercial effect to, security for payment of a debt, any other monetary obligation or the performance of any other obligation, or any trust or any retention of title and includes, but is not limited to, any agreement to grant or create any of the above.</li> </ol>
<b>Environmental Law</b>	means any and all applicable Australian laws relating to the regulation or emission of pollutants to or the protection of the environment or natural resources, or exposure to hazardous substances.
<b>Equity Securities</b>	has the meaning given in the ASX Listing Rules.
<b>Exclusivity Period</b>	the period from and including the date of this agreement to the earlier of: <ol style="list-style-type: none"> <li>the date of termination of this agreement;</li> <li>the date on which Subscription Completion occurs.</li> </ol>
<b>FGPA</b>	has the meaning given in Schedule 1 paragraph A.
<b>Foreign Official</b>	has the meaning given in Schedule 1 paragraph B (1).
<b>Fundamental Matter</b>	each matter set out in Schedule 3.





## 1 Definitions and interpretation

Term	Meaning
<b>Investec Guarantor</b>	each 'Guarantor' as defined in the Investec Facility Agreement.
<b>Investec Participants</b>	each 'Participant' as defined in the Investec Facility Agreement.
<b>Investec Parties</b>	the Investec Agent, the Investec Participants and the Investec Security Trustee.
<b>Investec Security Trustee</b>	the 'Security Trustee' as defined in the Investec Facility Agreement.
<b>Investmet</b>	Investmet Limited ACN 125 585 935.
<b>Investmet Loan</b>	The loan facility provided by Investmet to the Company pursuant to the Investmet Loan Agreement with a total commitment as at the date of this document of \$10,000,000.
<b>Investmet Loan Agreement</b>	The loan agreement (undated) between the Company and Investmet pursuant to which Investmet provides the Investmet Loan.
<b>ITAA97</b>	the <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Loss</b>	losses, liabilities, damages, costs, charges and expenses and includes Taxes and Duties.
<b>Material Proceeding</b>	has the meaning give In Schedule 4 – paragraph 3.2.
<b>Mining Act</b>	the <i>Mining Act 1978</i> (WA).
<b>Mt. Ida Plant</b>	the milling and production facility to be constructed in the vicinity of the Mount Ida gold project, located 200km north-west of Kalgoorlie-Boulder, Western Australia.
<b>Native Title Act</b>	the <i>Native Title Act 1993</i> (Cth).
<b>Nominee</b>	has the meaning given In clause 3.1(b).



## 1 Definitions and interpretation

Term	Meaning
	<ul style="list-style-type: none"> <li>• Iguana;</li> <li>• Lizard;</li> </ul>
	4 Siberia area: <ul style="list-style-type: none"> <li>• Sand King;</li> <li>• Missouri;</li> <li>• Palmerston/Camperdown;</li> <li>• Berwick Mooring;</li> <li>• Black Rabbit;</li> <li>• Thiel Well;</li> </ul>
	5 Menzies Joint Venture;
	6 Callion;
	7 Walhalla area: <ul style="list-style-type: none"> <li>• Federal Flag;</li> <li>• Salmon Gums;</li> <li>• Walhalla;</li> <li>• Walhalla North;</li> <li>• Mt Banjo;</li> <li>• Macedon;</li> </ul>
	8 Mt Ida area: <ul style="list-style-type: none"> <li>• Baldock;</li> <li>• Baldock South;</li> <li>• Meteor; and</li> <li>• Whinnen.</li> </ul>
<b>Project Technical Steering Committee</b>	the advisory technical steering committee (to be established within 30 days of Subscription Completion or as otherwise agreed by the parties in writing) for the Projects and certain other developmental matters, comprising representatives of the Company and, subject to clause 8.3, one representative of the Subscriber.
<b>Project Warranty</b>	each Company Warranty set out in Part B of Schedule 4.
<b>Project Warranty Claim</b>	any claim, demand, legal proceedings or cause of action including any claim, demand, legal proceedings or cause of action arising from a breach of a Project Warranty.
<b>Reinstatement Letter</b>	the letter from ASX to the Company dated 19 January 2018 entitled "Reinstatement Conditions" and setting out the conditions to



## 1 Definitions and Interpretation

Term	Meaning
	prospectus referred to in clause 4.2(b)).
<b>Subscription Options</b>	the number of Eastern Goldfields Options equal to 1 Series A Option for every 2 Subscription Shares and 1 Series B Option for every 2 Subscription Shares, being: <ol style="list-style-type: none"> <li>1 43,750,000 Series A Options; and</li> <li>2 43,750,000 Series B Options.</li> </ol>
<b>Subscription Price</b>	\$0.20 per Share.
<b>Subscription Securities</b>	the Subscription Options and the Subscription Shares.
<b>Subscription Shares</b>	87,500,000 Eastern Goldfields Shares.
<b>Subsidiary</b>	has the meaning given in Division 6 of Part 1.2 of the Corporations Act.
<b>Tax</b>	any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding, that is assessed, levied, imposed or collected by any Government Agency and includes, but is not limited to any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above but excludes Duty.
<b>Tax Law</b>	a law with respect to or imposing any Tax or Duty.
<b>Trading Day</b>	has the meaning given in the ASX Listing Rules.
<b>Tranche 1 Subscription Securities</b>	<ol style="list-style-type: none"> <li>1 42,000,000 Eastern Goldfields Shares; and</li> <li>2 21,000,000 Series A Options and 21,000,000 Series B Options, to raise \$8,400,000.</li> </ol>
<b>Tranche 1 Completion</b>	completion of the issue of the Tranche 1 Subscription Securities to the Additional Purchasers.
<b>Tranche 2 Additional Purchaser Securities</b>	At least: <ol style="list-style-type: none"> <li>1 23,350,000 Eastern Goldfields Shares;</li> </ol>



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## 2 Conditions Precedent

reconstruction, winding-up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;

- (l) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;
- (m) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:
  - (1) that ceases to exist; or
  - (2) whose powers or functions are transferred to another body,
 is a reference to the body that replaces it or that substantially succeeds to its powers or functions;
- (n) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this clause 1.2(n) implies that performance of part of an obligation constitutes performance of the obligation;
- (o) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (p) a reference to '\$' or 'dollars' is to Australian currency unless denominated otherwise; and
- (q) a reference to time is a reference to Perth, Western Australia time.

### 1.3 Agreement components

This agreement includes any schedule.

### 1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the preceding Business Day.

### 1.5 Inclusive expressions

Specifying anything in this agreement after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included.

## 2 Conditions Precedent

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### 2.1 Conditions precedent

The obligations of the parties under clause 5 are conditional on, and do not become binding unless and until:

- (a) **additional management:** the Company has concluded its CEO search and appointment and progressed its CFO search in line with its announced timeline, in each case, to the satisfaction of the Subscriber (in its sole and absolute discretion);



- (g) **related party transactions:** the Company has:
- (1) ceased to be a party to any agreements or arrangements (whether oral or in writing) with a Related Corporation or an Affiliate of the Company, except those agreements or arrangements which the Subscriber has consented to in writing on or prior to Subscription Completion (such consent not to be unreasonably withheld or delayed) other than in relation to the following on-going arrangements being the continuation (on their current terms) of the Investmet Facility, Michael Fotios' employment arrangements, the lease of the Company's office premises and the Company's arrangements with Whitestone (until those assets are purchased by the Company in accordance with clause 4.7); and
  - (2) entered a binding agreement with Investmet on terms and conditions satisfactory to the Subscriber (and for the benefit of and enforceable by the Subscriber to the extent set out therein) pursuant to which the Company and Investmet agree to amend the Investmet Loan Agreement to the effect that:
    - (A) the Investmet Loan may be re-drawn if paid down; and
    - (B) the commitment is amended to \$15,000,000 formalise the 24 February 2017 overdraft commitment to the Investec Security Trustee allowing the Company to draw down sufficient funds under the Investmet Facility to (i) enable the Company to pay the \$5,000,000 instalment under the Investec Facility due in February 2018 to the extent the Company does not have sufficient funds to repay this amount and (ii) to remain up to date with payments to all other creditors, while at all times complying with the minimum cash requirement under the Investec Facility;
- (h) **Tranche 1 Completion and Tranche 2 Additional Purchaser Securities:** Tranche 1 Completion and completion of the issue of the Tranche 2 Additional Purchaser Securities to the Additional Purchasers occurs and the Company has received (in cash or by way of offset against debt of, or amounts owing by, the Company) at least \$12,500,000.

## 2.2 Reasonable endeavours to satisfy conditions precedent

- (a) The Company must use reasonable endeavours to ensure that the conditions precedent in clause 2.1 are satisfied as expeditiously as possible and in any event on or before the Conditions Precedent Cut Off Date.
- (b) Each party must provide reasonable assistance to the other as is necessary to satisfy the conditions.
- (c) Each party must provide all information as may be reasonably requested by the other party in connection with any notices or applications for approvals.

## 2.3 Notice

Each party must promptly notify the other in writing if it becomes aware that any condition in clause 2.1 has been satisfied or has become incapable of being satisfied.



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#### 4 Company undertakings

- (b) be free of Encumbrances; and
- (c) rank equally in all respects with the other Eastern Goldfields Shares on Issue as at the date of Subscription Completion (as applicable).

### 3.4 Option terms

All Subscription Options are granted on, and subject to, the terms set out in Schedule 8 of this agreement (as applicable) and each party undertakes in favour with the other that it will comply with those terms.

## 4 Company undertakings

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### 4.1 Company undertakings prior to completion

The Company will not directly or indirectly, prior to Subscription Completion, without the Subscriber's prior written consent carry on its business except in the ordinary course and in the same manner as conducted on the date of this document, including, without limitation:

- (a) dispose or acquire, or agree to dispose or acquire, or apply for, any mining licence or title, other than the acquisition of a mining licence or title which results from an application identified in Schedule 7;
- (b) dispose of or agree to dispose of any of its right, title or interest in and to any asset that it may own or to which it may become entitled (other than any assets wholly related to operations outside of Australia) with an aggregate value in excess of \$2,000,000;
- (c) charge or agree to Encumber the whole or any part of its right, title and interest in and to any asset that it may own or to which it may become entitled (other than any assets wholly related to operations outside of Australia) with an aggregate value in excess of \$2,000,000;
- (d) other than the Subscription Securities, Tranche 1 Subscription Securities and any Eastern Goldfields Shares issued on the exercise of any options to acquire Eastern Goldfields Shares on issue as at the date of this agreement, issue, or agree to issue, any securities in its capital or grant any options or rights to take up by way of subscription, conversion or substitution further securities in its capital (including, without limitation, any hybrid equity securities such as convertible notes, redeemable preference shares or subordinated notes), whether the shares rank in preference to, equally with or after the Subscription Shares in respect of any right or interest other than a non-renounceable rights issue on a 1 for 20 basis that complies with clause 4.3;
- (e) enter into, or agree to enter into, any agreement, arrangement or obligation to borrow or lend funds in excess of \$2,000,000;
- (f) grant any special voting or other rights that attach to the ordinary issued shares in its capital;
- (g) acquire, or agree to acquire, any business or undertaking which is not owned by the Eastern Goldfields Group as at the date of this agreement;
- (h) vary or provide any waiver consent under or in relation to the escrow arrangements entered into by the Company and the Additional Purchasers (prior to the date of this agreement) in connection with the Additional



- (3) seek to raise gross proceeds of at least \$7 million (for the avoidance of doubt, excluding the proceeds raised from the Subscriber subscribing for the Subscription Shares under this agreement); and
  - (4) be underwritten to the extent of at least \$5 million provided that part of the underwritten amount of \$5 million relates to the Subscriber taking up its rights under the Rights Issue or underwriting its proportion of its shareholding in the Company as at the record date under the Rights Issue (which must be a record date that allows the Subscriber to take up its rights under the Rights Issue in relation to the Subscription Shares) and provided that any underwriting by Investmet can be by way of off-set against amounts owing under the Investmet Facility.
- (b) The prospectus for the Rights Issue must be lodged with ASIC no later than the prospectus referred to in clause 4.2(b)(1).

#### 4.4 Use of proceeds

The Company must ensure the proceeds of the Private Placement are only applied in accordance with Schedule 9.

#### 4.5 Compliance with laws

The Company undertakes to the Subscriber that it will, and will procure that each member of the Eastern Goldfields Group will:

- (a) comply in all material respects with all applicable laws, including all applicable anti-bribery or anti-corruption laws;
- (b) put in place an appropriate ethics and compliance program, including a Code of Business Conduct and related policies and procedures (including without limitation, an anti-bribery and corruption policy) within 30 days of Subscription Completion and recommend adoption of such a policy to its board;
- (c) maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws including providing adequate training to employees and contractors of the Eastern Goldfields Group;
- (d) be adequately insured against accident, damage, injury, third party loss and any other risk normally insured by a prudent person operating the types and size of business similar to the business of the Eastern Goldfields Group;
- (e) comply with best practice industry standards for a business of the type and size of the Eastern Goldfields Group in respect of its regulatory, environmental and social policies and, for the avoidance of doubt, provided that at all material times each member of the Eastern Goldfields Group complies with all applicable laws and all conditions of any mining, or exploration, environmental or social licence it holds; and
- (f) obtain, maintain and, to the extent necessary, update any permits, licences, approvals, authorizations and registrations that are required for the good standing, the updated shareholding structure and the regular activities of any member of the Eastern Goldfields Group.

#### 4.6 Dividends

- (a) Where the Company pays a distribution on Eastern Goldfields Shares, the Company must use reasonable endeavours to allocate franking credits on the



Purchaser Securities having occurred (or the Subscriber being satisfied that the Issue of the Tranche 1 Subscription Securities and Tranche 2 Additional Purchaser Securities will occur simultaneously with Subscription Completion), at Subscription Completion, the Subscriber must:

- (1) **(subscription)** subscribe for and accept the issue of, or procure that its Nominee subscribers for and accepts the issue of, the Subscription Shares by means of an application substantially in the form of Schedule 2 in relation to the Subscription Shares; and
- (2) **(subscription price)** pay to the Company the Subscription Price less the amount of the Hawke's Point Reimbursable Costs notified to the Company under clause 5.3(a) in Immediately Available Funds.

#### 5.4 Issue at Subscription Completion

At Subscription Completion, the Company must:

- (a) Issue or procure the Issue of the Subscription Shares to the Subscriber free from any Encumbrance or other third party rights; and
- (b) provide the documentation required by clause 5.5 to the Subscriber.

#### 5.5 Documents to be delivered by the Company at Subscription Completion

- (a) At Subscription Completion, the Company must give the Subscriber:
  - (1) **(evidence of issue)** evidence satisfactory to the Subscriber of the due allotment and issue of the Subscription Shares; and
  - (2) **(officer's certificate)** an officer's certificate in the form of Schedule 1 given in respect of and on behalf of the Company to the Subscriber and dated the same date as the Subscription Completion Date.
- (b) Within 2 Business Days after Subscription Completion, the Company must give, at the election of the Subscriber, a CHESS holding statement or issuer-sponsored holding statement in respect of the Subscription Shares.

#### 5.6 Completion simultaneous

The actions to take place as contemplated by this clause 5 are interdependent and must take place, as nearly as possible, simultaneously. If one action does not take place, then without prejudice to any rights available to any party as a consequence:

- (a) there is no obligation on any party to undertake or perform any of the other actions;
- (b) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and
- (c) the Subscriber must return to the Company all documents delivered under clause 5.5 and the Company must repay to the Subscriber all payments received by it under clause 5.3, without prejudice to any other rights any party may have in respect of that failure.





to the extent that the Warranty or the Company's liability for the Loss are limited or qualified under clauses 6.8 to 6.12 below.

## 6.7 Independent Warranties

Each Warranty is separate and independent and not limited by reference to any other Warranty or any notice or waiver given by any party in connection with anything in this agreement.

## 6.8 Maximum and minimum amounts

- (a) The Company is not liable under a Claim unless the amount finally agreed or adjudicated to be payable in respect of that Claim:
  - (1) exceeds \$175,000; and
  - (2) either alone or together with the amount finally agreed or adjudicated to be payable in respect of other Claims that satisfy clause 6.8(a)(1) exceeds \$875,000,
 in which event, subject to clauses 6.8(b) and 6.8(c), the Company is liable all of that amount including the initial \$875,000.
- (b) The maximum aggregate amount that the Company is required to pay in respect of all Claims whenever made is limited to 100% of the Aggregate Hawke's Point Investment.
- (c) For the purposes of clause 6.8(a), Claims of the same or similar nature arising out of the same or similar facts, matters and circumstances will be treated as one Claim.

## 6.9 Time limits on claims

The Company is not liable under a Claim unless:

- (a) the Subscriber notifies the Company of the Claim within:
  - (1) 3 years after Subscription Completion in the case of a Claim with respect to a breach of the Warranties set out in Schedule 4, paragraph 3.4 ("Title and Tenements")
  - (2) 18 months after Subscription Completion in the case of a Project Warranty Claim other than a Claim with respect to a breach of the Warranties set out in Schedule 4, paragraph 3.4 ("Title and Tenements");
  - (3) 12 months after Subscription Completion in all other cases; and
- (b) within 9 months after the date on which the Subscriber is required to notify the Company of the Claim under clause 6.9(a), either the Claim has been settled or legal proceedings in a court of competent jurisdiction in respect of the Claim have been commenced by the Subscriber against the Company in respect of the Claim.

## 6.10 Disclosure and knowledge

- (a) Other than a Claim with respect to a breach of Warranty set out in Schedule 4, Part 3.2 ("Litigation"), the Company is not liable in respect of a Claim if the fact,



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## 6 Warranties

- (c) the Claim occurs or is increased as a result of legislation not in force or in effect at the date of this agreement (including any legislation relating to any Tax Law); or
- (d) the Claim occurs as a result of a change after the date of this agreement in any law or interpretation of law (including any law relating to any Tax Law).

### 6.13 No reliance

- (a) The Subscriber acknowledges, and represents and warrants to the Company, that:
  - (1) at no time has:
    - (A) the Company or any person on its behalf made or given; or
    - (B) the Subscriber relied on,
 

any representation, warranty, promise or undertaking in respect of the future financial performance or prospects of the Eastern Goldfields Group or otherwise (including in connection with any financial analysis or modelling conducted by the Subscriber or any of their representatives or advisers) except those expressly set out in this agreement (including in the Company Warranties);
  - (2) no representations, warranties, promises, undertakings, statements or conduct:
    - (A) have induced or influenced the Subscriber to enter into, or agree to any terms or conditions of, this agreement;
    - (B) have been relied on in any way as being accurate by the Subscriber;
    - (C) have been warranted to the Subscriber as being true; or
    - (D) have been taken into account by the Subscriber as being important to its decision to enter into, or agree to any or all of the terms of, this agreement,

except, in the case of the Subscriber, those expressly set out in this agreement (including in the Company Warranties);
  - (3) it has made, and it relies upon, its own reasonable searches, enquiries and evaluations in respect of the Eastern Goldfields Group (including in connection with any financial analysis or modelling conducted by the Subscriber or any of their representatives or advisers), except to the extent expressly set out in this agreement (including in the Company Warranties).
- (b) The parties acknowledge that the Company is not under any obligation to provide the Subscriber or its advisers with any information (including financial information) on the future performance or prospects of the Eastern Goldfields Group other than as set out in this agreement. If the Subscriber has received opinions, estimates, projections, business plans, budget information or forecasts in connection with the Eastern Goldfields Group (including in connection with any financial analysis or modelling conducted by the Subscriber or any of their representatives or advisers), the Subscriber acknowledges and agrees that:



## 7 Anti-dilution and pre-emptive rights

agreement required to be executed by participants in order to subscribe for those Equity Securities; and

- (5) a statement to the effect that the Subscriber has the option to subscribe for all or part of the Equity Securities identified in clause 7.1(b)(2) for the subscription price set out in clause 7.1(b)(3) and on the terms and conditions set out in clause 7.1(b)(4).
- (c) The Subscriber may exercise its option under clause 7.1(b) by giving notice to that effect to the Company within 2 weeks after the date of service of a valid notice under clause 7.1(a).
- (d) Where shareholder approval is required by law or the ASX Listing Rules before Equity Securities in the Company can be issued to the Subscriber under this clause 7.1 the Company must take all reasonable steps to ensure that shareholder approval is obtained in respect of the issue of such Equity Securities to the Subscriber as soon as practicable after the Subscriber exercises its option in accordance with clause 7.1(c) (including taking all reasonable steps to procure the Company's non-interested directors unanimously recommend that shareholders vote in favour of the resolution approving the issue of such Equity Securities in the Company to the Subscriber, subject at all times to the directors' fiduciary duties).
- (e) For the purpose of calculating the Subscriber's fully diluted shareholding in the Company under clause 7.1(a):
  - (1) the Subscriber's shareholding in the Company (prior to the Eastern Goldfields Equity Offer) will be calculated on the basis that all convertible securities held by the Subscriber or its Affiliates (including the Eastern Goldfields Options) are deemed to be converted into fully paid ordinary shares in the Company; and
  - (2) the total number of shares in the Company will be calculated on the basis that all convertible securities issued by the Company (including to avoid doubt, the Eastern Goldfields Options and any convertible securities to be issued under the Eastern Goldfields Equity Offer referred to in clause 7.1(a)) are deemed to be converted into fully paid ordinary shares in the Company at time of the issue of Eastern Goldfields Shares under the Eastern Goldfields Equity Offer.

## 7.2 Conditions

- (a) The obligations and rights of the Company and the Subscriber under clause 7.1 are subject to the additional conditions imposed by ASX pursuant to the waiver of ASX Listing Rule 6.18 granted by ASX in favour of the Company for the purpose of this clause 7.
- (b) The Company agrees that in the event the waiver of ASX Listing Rule 6.18 lapses for any reason during the 30 consecutive Trading Day period referred to in the definition of 10% Shareholding, the Company will use its best endeavours and act promptly and in good faith to do all things necessary to obtain from ASX a new waiver of ASX Listing Rule 6.18 to permit the Company to grant the Subscriber the rights under clause 7.1.

## 7.3 Right of first refusal for debt or alternative capital raising

- (a) Subject to clause 7.3(b), if any Eastern Goldfields Group Member wishes to issue debt or enter into any royalty or metal streaming agreement and for so long as the Subscriber and its Affiliates hold a 10% Shareholding, the Company



number of Eastern Goldfields Board Members, including the Eastern Goldfields Board Member appointed under clause 8.2, is at least 5).

- (b) In appointing the new members to the Eastern Goldfields Board in accordance with clauses 8.1(a)(1) and 8.1(a)(2), the Company must undertake to identify additional Eastern Goldfields Board Members who:
  - (1) have relevant experience in the mining industry to contribute to the further development of the Company's Western Australian projects;
  - (2) have sufficient time to materially participate in the Company's ongoing affairs; and
  - (3) are in a position to participate in all or substantially all of the Eastern Goldfields Board and committee meetings and dedicate sufficient time to other Company affairs requiring director attention.
- (c) The Company must use reasonable endeavours to ensure that the increase in Eastern Goldfields Board Members in accordance with this clause 8.1 results in a majority of the Eastern Goldfields Board comprising persons who are independent (being, as at the date of this agreement, persons other than Michael Fotios or any Related Person of the Subscriber).

## 8.2 Nomination of directors by the Subscriber

- (a) Following Subscription Completion, for so long as the Subscriber and its Affiliates hold a 10% Shareholding, the Subscriber may nominate at least one person to be appointed as a non-executive director of the Company (**Hawke's Point Nominated Director**).
- (b) To avoid doubt, the Subscriber may nominate any person to be a non-executive director under clause 8.2(a), including, without limitation, a person who is not an employee or consultant of the Subscriber or its Affiliates.
- (c) The Subscriber will consult with the Eastern Goldfields Board prior to any nomination under clause 8.2(a) and seek to nominate a person that has the appropriate qualifications and experience.
- (d) The Subscriber may:
  - (1) appoint a director by written notice to the Company specifying the identity of the person to be appointed as a director; or
  - (2) replace a director nominated by the Subscriber under clause 8.2(d)(1) by written notice to the Company specifying the identity of the person to be replaced as a director and their replacement.
- (e) Where the Company receives a notice from the Subscriber pursuant to clause 8.2(d) of nomination of a Hawke's Point Nominated Director, subject to receipt by the Company of a proposed consent to act signed by the Hawke's Point Nominated Director, the Company must procure that the directors appoint the Hawke's Point Nominated Director as a director.
- (f) The Subscriber acknowledges that a Hawke's Point Nominated Director appointed under clause 8.2(a) holds office until the next annual general meeting of the Company, and is then eligible for re-election at that meeting pursuant to the Constitution, the Corporations Act and the ASX Listing Rules.
- (g) The Company must ensure that the Hawke's Point Nominated Director is proposed for election at the next annual general meeting of the Company convened after their appointment and recommend the election of any Hawke's Point Nominated Director at that annual general meeting and do all things as



- (b) Any fees or expenses payable to any third party introduced to the Company by the Subscriber will be as agreed between the Company and that third party at the relevant time.

## 10 Corporate governance

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### 10.1 Fundamental Matters

Following Subscription Completion, for so long as the Subscriber and its Affiliates hold a 10% Shareholding, in addition to any shareholder approval that may be required under applicable law, the Company must not undertake any action which is a Fundamental Matter without the Subscriber's prior written consent, such consent not to be unreasonably withheld or delayed.

### 10.2 Access to business information

Following Subscription Completion:

- (a) the Subscriber will be entitled to, upon reasonable notice to the Company, inspect (in person and have remote access through a virtual data room, operated by the Company) and make copies of information from the Company in relation to the Eastern Goldfields Group including, but not limited to, all books, records, accounts, working papers, budgets and cash flows, financial information, technical studies and documents in the possession of the Eastern Goldfields Group relating to the business, assets, affairs of the Eastern Goldfields Group or its clients to the extent such information would be available to the Nominated Hawke's Point Director;
- (b) the Company must ensure that the Subscriber has reasonable access to senior management of the Eastern Goldfields Group for the purpose of regular consultation regarding the business affairs and activities of the Eastern Goldfields Group; and
- (c) the Subscriber acknowledges that as a result of the above rights that it may come into possession of information which may potentially constitute "inside information" for the purposes of the Corporations Act.

### 10.3 Subscriber's rights

The Subscriber's rights under this agreement (including under clauses 4, 7, 8, 9, 10 and 12) are not provided to enable it to directly participate in or control the management of the Company's affairs, but merely to protect its passive interest as an Eastern Goldfields Shareholder to maximise its long-term returns on Eastern Goldfields Shares.

## 11 Termination

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### 11.1 Termination by the Subscriber

The Subscriber may terminate this agreement at any time before Subscription Completion by notice in writing to the Company if:



## 11.5 Specific performance

The Company acknowledges that monetary damages alone would not be adequate compensation to the Subscriber for the Company's breach of its obligation to issue the Subscription Securities under this agreement and that accordingly specific performance of that obligation is an appropriate remedy.

## 12 Exclusivity

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### 12.1 Exclusivity obligations

- (a) During the Exclusivity Period, the Company must ensure that neither It nor any of Its Related Persons:
  - (1) directly or indirectly solicits, facilitates, encourages, invites or initiates steps with the objective of receiving any offer or proposal pursuant to which a person other than the Subscriber or its Affiliates would, if the proposal was successfully completed, be issued any equity in the Company (including, without limitation, Eastern Goldfields Shares or options over Eastern Goldfields Shares) or any of its Related Corporations or the Company or any of its Related Corporations would raise any debt finance (**Alternative Funding Proposal**);
  - (2) directly or indirectly participates in any negotiations or discussions or provide any information to any person with respect to any inquiry, expression of interest, offer or proposal by any person to make an Alternative Funding Proposal;
  - (3) accepts or enters into, or offers to accept or enter into, any agreement, arrangement or understanding regarding an Alternative Funding Proposal;
  - (4) discloses any non-public information about the business or affairs of the Company to a third party with a view to obtaining, or which may reasonably be expected to lead to receipt of, an Alternative Funding Proposal, other than as required by any applicable law or the requirement of a Government Agency; or
  - (5) communicates any intention to do any of the things listed in clauses 12.1(a)(1), 12.1(a)(2), 12.1(a)(3) and 12.1(a)(4) in respect of or in response to any expression of interest, offer or proposal by any person in relation to any Alternative Funding Proposal.
- (b) Nothing in this clause 12.1 prevents the Company from continuing to make normal presentations to brokers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Private Placement or in relation to the Company undertaking a non-renounceable rights issue to existing shareholders of the Company on a 1 for 20 basis that complies with clause 4.3.

### 12.2 Notification

During the Exclusivity Period, the Company must immediately notify the Subscriber if:

- (a) any approach, enquiry or proposal is made, directly or indirectly, to the Company or any of its Related Persons with respect to an Alternative Funding Proposal, whether solicited or otherwise; or



## 14 Confidentiality and announcements

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### 14.1 Announcement

- (a) Immediately after execution of this agreement, the Company will issue public announcements regarding the execution of this agreement in a form previously agreed to in writing between the parties.
- (b) Unless disclosure is required by the ASX Listing Rules or the Corporations Act and then subject to:
  - (1) the Company only including the minimum information required to comply with the ASX Listing Rules and applicable law in the disclosure; and
  - (2) before making the disclosure and to the extent legally permitted, the Company must give the Subscriber reasonable written notice of the full circumstances of the disclosure the Company proposes to make and consult with the Subscriber as to the form of that disclosure.

the Company and each of its Related Corporations must not issue any public announcement which refers to or otherwise identifies the Subscriber and its Affiliates without the prior written consent of the Subscriber.

### 14.2 Confidentiality

Each party acknowledges and agrees that it continues to be bound by the Confidentiality Deed.

## 15 GST

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### 15.1 Definitions

Words used in this clause 15 that have a defined meaning in the GST Law, have the same meaning as in the GST Law unless the context indicates otherwise.

### 15.2 GST

- (a) Unless expressly included, the consideration for any supply under, or in connection with, this agreement does not include GST.
- (b) To the extent that any supply made under, or in connection with, this agreement is a taxable supply (other than any supply made under another agreement that contains a specific provision dealing with GST), the recipient must pay, in addition to the consideration provided under this agreement for that supply (unless it expressly includes GST) an amount (**additional amount**) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.
- (c) Whenever an adjustment event occurs in relation to any taxable supply to which clauses 15.2(a) and 15.2(b) applies:



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17 General

### 16.3 Parties' details

Party	Address	Attention	Facsimile	Email address
Eastern Goldfields	L1/24 Mumford Street  Balcatta WA 6021	Michael Fotios	+ 61 8 6241 1811	michael@deltaman.com.au
With a copy to	Level 21 300 Murray Street  Perth WA 6000	Simon Rear	+61 8 9429 7666	simon.rear@squirepb.com
Hawke's Poin	Notices to be sent to both addresses below:  1 Uglan House  Grand Cayman  KY-1104, Cayman Islands  2 c/o Polygon Global Partners LLP  4 Sloane Terrace  London, SW1X 9DQ, United Kingdom	Hawke's Point Holdings L.P	+44 20 7901 8301	notice@hawkespointcapital.com

## 17 General

### 17.1 Governing law and jurisdiction

- (a) This agreement is governed by the law in force in Western Australia.





- (c) Clause 17.5(b) does not affect the construction of any other part of this agreement.

#### **17.6 Further action to be taken at each party's own expense**

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this agreement and the transactions contemplated by it.

#### **17.7 Entire agreement**

- (a) This agreement states all the express terms of the agreement between the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings, arrangements and agreements, express or implied in respect of its subject matter including the Heads of Agreement.
- (b) To avoid doubt, the rights and obligations of each party under the Heads of Agreement will terminate upon entry into this agreement provided that:
- (1) each party retains the rights it has against the other in respect of any breach of the Heads of Agreement occurring before termination; and
  - (2) the rights and obligations of each party under each of the following clauses of the Heads of Agreement:
    - (A) 'Governing Law'; and
    - (B) the first paragraph of 'Legal Effect and Definitive Agreements',will continue independently from the other obligations of the parties and survive termination of the Heads of Agreement.

#### **17.8 No merger**

The Warranties, undertakings and indemnities in this agreement will not merge on Completion.

#### **17.9 No reliance**

Neither party has relied on any statement by the other party not expressly included in this agreement.

#### **17.10 Counterparts**

- (a) This agreement may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this agreement by signing any counterpart.

#### **17.11 Relationship of the parties**

- (a) Nothing in this agreement gives a party authority to bind any other party in any way.
- (b) Nothing in this agreement imposes any fiduciary duties on a party in relation to any other party.



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## Signing page

### Executed as an agreement

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Signed by  
**Eastern Goldfields Limited**  
by

sign here ► [Signature removed from lodged version]  
Director

print name Michael Fotlos

sign here ► [Signature removed from lodged version]  
Director

print name Craig Readhead

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Signed by HAWKE'S POINT HOLDINGS LP

By its investment manager POLYGON GLOBAL PARTNERS LLP

[Signature removed from lodged version]

Name: Reade Griffith

Position: Principal

Date: January 30, 2018