

ASX Announcement

28 May 2019

Recapitalisation Update

Settlement of Capital Raising, Effectuation of DOCA

Summary:

- **Settlement of the capital raising has now occurred**
 - **Deed of Company Arrangement has been effectuated; Deed Administrators have retired; the Company is no longer under Administration**
 - **The Company reserves the right to accept further commitments under the Capital Raising**
 - **The Directors recommend ALL shareholders vote in favour of all resolutions (except those resolutions where the Directors have abstained from making a resolution) at the upcoming General Meeting, as one of the last remaining steps towards re-listing on ASX**
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The Deed Administrators and new Board of Directors of Eastern Goldfields Limited (ASX:EGS) to be re-named Ora Banda Mining Limited ("Company") are pleased to provide an update in relation to the transaction to give effect to the recapitalisation of the Company.

Settlement of Capital Raising

By way of background, the capital raising currently underway by the Company includes the issue of convertible notes ("Convertible Notes") pursuant to a convertible note offer ("Convertible Note Offer") and the issue of new fully paid ordinary shares ("Shares") pursuant to a non-renounceable entitlement offer ("Entitlement Offer"), a shortfall offer ("Shortfall Offer") and a placement offer ("Placement Offer").

Further to the Company's announcement of 22 May 2019 that commitments of \$30 million in total funding had been received, the Company and Deed Administrators are pleased to advise that the committed funds have now been received.

The Company and Deed Administrators have accordingly executed settlement of the relevant aspects of the capital raising.

The offer of Convertible Notes (pursuant to the Convertible Note Offer) and placement shares (pursuant to the Placement Offer) remain open and the Company reserves the right to accept further commitments under the capital raising by way of investors taking up Convertible Notes under the Convertible Note Offer and / or Shares under the Placement Offer.

Following receipt of shareholder approval at the General Meeting scheduled for 7 June 2019 (and following satisfaction of the other conditions precedent to conversion), the Convertible Notes will automatically convert into Shares in accordance with their terms. Further details of the terms of the Convertible Notes are detailed in the Prospectus issued by the Company on 30 April 2019.

Ora Banda Managing Director, David Quinlivan thanked all investors, existing and new, who had backed the detailed work and planning undertaken for the Company to enter a new dawn as Ora Banda Mining. He said the Company was very much looking forward to getting on and drilling its existing resource base.

Hartleys Limited acted as Lead Manager and sole bookrunner to the Capital Raising, with Tamesis Partners LLP acting as co-manager in the UK and Europe.

Effectuation of the Deed Of Company Arrangement (“DOCA”)

The Company wishes to advise that the DOCA has now been effectuated, Andrew Smith and Martin Jones of Ferrier Hodgson resigned as Deed Administrators on 27 May 2019 and control of the Company has passed to the Directors of the Company.

By way of background, at a meeting of the Company’s creditors held on 1 February 2019, creditors resolved that the Company enter into a DOCA to recapitalise the Company and restructure its debts. The DOCA was subsequently signed on 12 February 2019.

The terms of the DOCA contained, amongst other things, a number of specific conditions that the Company is required to meet (“Conditions Precedent”) in order to allow requotation of the Company’s shares on the Australian Securities Exchange.

Completion of the capital raising and effectuation of the DOCA are key steps in the Company’s path towards requotation of its shares on the Australian Securities Exchange.

The Company notes that whilst the DOCA has been effectuated, a number of Conditions Precedent remain. These include but are not limited to matters such as the approval by shareholders of resolutions at the General Meeting to issue shares to secured and supporting creditors.

General Meeting

A General Meeting of shareholders is to be held on 7 June 2019 to approve various resolutions relating to the recapitalisation and requotation of the Company.

Shares issued under the Entitlement Offer and Shortfall Offer will be entitled to vote at the General Meeting being held to effect the proposed recapitalisation of the Company.

The Directors recommend that Shareholders vote in favour of all resolutions at the General Meeting, as without approval, the Company will need to renegotiate with its secured creditors and there is a risk the Company's shares may not be reinstated to trading on ASX (or there may be a delay in reinstatement) or the Company may be forced into liquidation.

The closing date for proxy votes is Wednesday, 5 June 2019 at 11:00am (WST). Investors may vote online at www.investorvote.com.au.

| Investor Queries: | Media Queries: |
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