

## Recapitalisation Update

### *Capital Raising successful with commitments for \$30M received*

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**Summary:**

- Ora Banda has received strong support for its Capital Raising from key institutional and high net worth investors with commitments totalling \$30M comprising:
    - The Entitlement Offer and Shortfall Offer have been fully subscribed to raise a total of approximately \$7.6M; and
    - Binding commitments from investors to subscribe for the Convertible Note Offer, raising approximately \$22.4M
  - Incoming Directors have committed to underwrite \$450,000 of the Shortfall Offer
  - The outcome is seen as a significant validation for the direction of the Company, and the strategy employed to maximise the value of the Davyhurst Project
  - The Company reserves the right to accept further commitments under the Capital Raising
  - The Directors recommend ALL shareholders vote in favour of all resolutions at the upcoming General Meeting
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The Deed Administrators and the new Board of Directors of Eastern Goldfields Limited (ASX:EGS) to be re-named Ora Banda Mining Limited ("Company") are pleased to announce that the Company has received binding commitments from investors pursuant to a capital raising comprising an offer of convertible notes ("Convertible Note Offer") of \$22.4m and total subscriptions (entitlement acceptances and applications for shortfall), pursuant to its 1 for 1 non-renounceable entitlement offer ("Entitlement Offer") of \$7.6m to raise a total of \$30m ("Capital Raising").

The Capital Raising completion is a condition precedent to effectuation of the DOCA with a general meeting of shareholders to approve various resolutions relating to the recapitalisation and quotation of the Company scheduled to occur on 7 June 2019.

The Company reserves the right to accept further commitments under the Capital Raising.

**Managing Director Comment**

The Managing Director of Ora Banda, Mr David Quinlivan, said: "We are very pleased to be on the home straight in respect of this transaction. The recapitalisation of the Company has been a very significant endeavour, involving 6 months of hard work by a group of key stakeholders. The Capital Raising is the last phase of the transaction and the successful receipt of commitments for \$30 million demonstrates that the market supports our vision for the Company. We are glad to have clearly exceeded the minimum raising

pursuant to the DOCA of \$22 million, and are looking forward to executing on our Project development strategy, and unlocking the significant value of Davyhurst.”

### **Convertible Note Offer**

The Company has received binding commitments from professional and sophisticated investors to subscribe for convertible notes raising \$22.4M. The settlement date for the issue of convertible notes is expected to be Monday, 27 May 2019.

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.

### **Entitlement Offer**

The Entitlement Offer offered eligible shareholders registered on 3 May 2019 ("Record Date") the ability to subscribe for fully paid ordinary shares ("New Shares") at an issue price of \$0.01 each on the basis of one (1) New Share for every one (1) share held on the Record Date. A summary of the Entitlements accepted and Shortfall applications received pursuant to the shortfall offer ("Shortfall Offer") is detailed below:

<b>Summary</b>	<b>New Shares</b>	<b>Funds (A\$)</b>
Total number of New Shares offered	761,784,750	\$7,617,847
Entitlements accepted	148,433,578	\$1,484,392
Shortfall applications received	613,346,435	\$6,133,464
<b>Shares Issued Pursuant to Entitlement Issue &amp; Shortfall Placement</b>	<b>761,780,013</b>	<b>\$7,617,800</b>

The settlement of the Capital Raising is scheduled for Monday, 27 May 2019.

The offer of placement shares ("Placement Offer") under the prospectus issued by the Company on 30 April 2019 ("Prospectus") will continue to 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 or shares under the Placement Offer).

Hartleys Limited acted as Lead Manager and sole bookrunner to the Capital Raising.

### **General Meeting**

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

The Directors of the Company unanimously recommend that Shareholders vote in favour of all resolutions (except for resolutions where the Directors have abstained from making a recommendation) at the upcoming 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 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](http://www.investorvote.com.au).

### **Additional Escrow**

Further to the position announced on 14 May 2019 in respect of the holding locks of Supporting Creditors, a number of institutional investors which have supported the Company by providing working capital via a secured debt facility have agreed to holding lock in respect of the New Shares they will receive upon conversion of this debt into fully paid ordinary shares.

<b>Investor Queries:</b>	<b>Media Queries:</b>
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