

EASTERN GOLDFIELDS LIMITED

ACN 100 038 266

NOTICE OF 2018 ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 10:45am (WST)
DATE: 30 November 2018
PLACE: Ernst & Young, 11 Mounts Bay Rd, Perth WA 6000

YOUR ANNUAL REPORT IS AVAILABLE ONLINE, SIMPLY VISIT:

<http://easterngoldfields.com.au/investor-centre/>

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Mr Brendon Morton, on +61 8 6241 1866.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2018 Annual General Meeting of the Shareholders of Eastern Goldfields Limited (**EGS** or the **Company**) will be held at 10:45am (WST) on 30 November 2018 commencing to consider, and if thought fit, to pass the Resolutions set out below.

Terms used in this Notice of Annual General Meeting and accompanying Explanatory Statement are defined in the glossary to this document.

The Explanatory Statement which accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered at the Annual General Meeting.

ORDINARY BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS FOR FINANCIAL YEAR ENDED 30 JUNE 2018

To receive and consider the annual financial statements, the Directors' report and the auditor's report of the Company for the financial year ended 30 June 2018.

Note: there is no requirement for Shareholders to approve these reports.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Company adopts the Remuneration Report as set out in the Company's annual financial report for the financial year ended 30 June 2018.”

Voting exclusion: The Company will disregard any votes cast on Resolution 1 by or on behalf of any member of the KMP of the Company whose remuneration is included in the Remuneration Report, or a Closely Related Party of such member. However, the Company will not disregard any votes cast on Resolution 1 by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting on Resolution 1 as described above and either:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution; or
- (b) the person is the Chair of the Meeting voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though Resolution 1 is connected with the remuneration of the KMP of the Company.

If you are a member of the KMP of the Company or a Closely Related Party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

3. RESOLUTION 2 – ELECTION AS A DIRECTOR – MR. PETER MANSELL

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rules 14.4 and 14.5, clause 13.4 of the Constitution and for all other purposes, Mr. Peter Mansell, having been appointed by the Board as an additional director on 25 June 2018, retires and, being eligible and offering himself for re-election, is re-elected as a Director.”

4. RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **special resolution**:

“That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement that forms part of this Notice.

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who is expect to participate in, or who will obtain a material benefit, as a result of, the proposed issue except a benefit solely in the capacity of a holder of Ordinary Securities, if the Resolution is passed, and any Associates of that person (or those persons). However, the Company need not disregard a vote cast on Resolution 3 by such person if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 4 – ADOPTION OF NEW CONSTITUTION

To consider and, if thought fit, to pass the following Resolution as a **special resolution**:

“That, for the purposes of sections 136(2) and 648G of the Corporations Act, and for all other purposes, the constitution submitted to this meeting and signed by the Chairman of this meeting for the purpose of identification be adopted as the constitution of the Company in substitution for and to the exclusion of the existing constitution of the Company.”

6. RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS UNDER OPTION PLAN TO MR. PETER MANSELL

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.14, and for all other purposes, approval be given for the issue of a maximum of 2,250,000 Options to Mr. Peter Mansell under the Option Plan, for the purpose and on the terms set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 5 by any Director who is eligible to participate in the Company’s Option Plan (and any associate of such a Director).

However, the Company need not disregard a vote cast by such a person if the vote is cast:

- (a) as proxy for a person entitled to vote on Resolution 5, in accordance with the directions on the proxy form; or
- (b) by the Chairman, as proxy for a person entitled to vote on Resolution 5 (as applicable), in accordance with the directions on the proxy form.

The Company will also disregard any votes cast on Resolution 5 by a member of the Key Management Personnel of the Company or their Closely Related Parties, acting as proxy for another person, where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing where the appointment expressly authorises the Chairman to exercise the proxy even though the respective Resolution is connected with the remuneration of a member of the Key Management Personnel of the Company, will not be excluded.

7. RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS UNDER OPTION PLAN TO MR. DAVID QUINLIVAN

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.14, and for all other purposes, approval be given for the issue of a maximum of 2,250,000 Options to Mr. David Quinlivan under the Option Plan, for the purpose and on the terms set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 6 by any Director who is eligible to participate in the Company’s Option Plan (and any associate of such a Director).

However, the Company need not disregard a vote cast by such a person if the vote is cast:

- (a) as proxy for a person entitled to vote on Resolution 6, in accordance with the directions on the proxy form; or
- (b) by the Chairman, as proxy for a person entitled to vote on Resolution 6 (as applicable), in accordance with the directions on the proxy form.

The Company will also disregard any votes cast on Resolution 6 by a member of the Key Management Personnel of the Company or their Closely Related Parties, acting as proxy for another person, where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing where the appointment expressly authorises the Chairman to exercise the proxy even though the respective Resolution is connected with the remuneration of a member of the Key Management Personnel of the Company, will not be excluded.

8. RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS UNDER OPTION PLAN TO MR. KEITH JONES

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.14, and for all other purposes, approval be given for the issue of a maximum of 2,250,000 Options to Mr. Keith Jones under the Option Plan, for the purpose and on the terms set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 7 by any Director who is eligible to participate in the Company’s Option Plan (and any associate of such a Director).

However, the Company need not disregard a vote cast by such a person if the vote is cast:

- (a) as proxy for a person entitled to vote on Resolution 7, in accordance with the directions on the proxy form; or
- (b) by the Chairman, as proxy for a person entitled to vote on Resolution 7 (as applicable), in accordance with the directions on the proxy form.

The Company will also disregard any votes cast on Resolution 7 by a member of the Key Management Personnel of the Company or their Closely Related Parties, acting as proxy for another person, where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing where the appointment expressly authorises the Chairman to exercise the proxy even though the respective Resolution is connected with the remuneration of a member of the Key Management Personnel of the Company, will not be excluded.

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9. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS UNDER OPTION PLAN TO MR. TONY PATRIZI

To consider and, if thought fit, to pass, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.14, and for all other purposes, approval be given for the issue of a maximum of 2,250,000 Options to Mr. Tony Patrizi under the Option Plan, for the purpose and on the terms set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 8 by any Director who is eligible to participate in the Company’s Option Plan (and any associate of such a Director).

However, the Company need not disregard a vote cast by such a person if the vote is cast:

- (a) as proxy for a person entitled to vote on Resolution 8, in accordance with the directions on the proxy form; or
- (b) by the Chairman, as proxy for a person entitled to vote on Resolution 8 (as applicable), in accordance with the directions on the proxy form.

The Company will also disregard any votes cast on Resolution 8 by a member of the Key Management Personnel of the Company or their Closely Related Parties, acting as proxy for another person, where the proxy form does not specify how the proxy is to vote, with the exception that votes cast by the Chairman as proxy appointed in writing where the appointment expressly authorises the Chairman to exercise the proxy even though the respective Resolution is connected with the remuneration of a member of the Key Management Personnel of the Company, will not be excluded.

BY ORDER OF THE BOARD OF DIRECTORS



BRENDON MORTON
Company Secretary

26 October 2018

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ENTITLEMENT TO ATTEND AND VOTE

You will be entitled to attend and vote at the Annual General Meeting if you are registered as a Shareholder of the Company as at 4:00pm (WST) on 28 November 2018. This is because, in accordance with the *Corporations Regulations 2001* (Cth), the Board has determined that the Shares on issue at that time will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

HOW TO VOTE

Voting in person

Shareholders who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting if possible, so that their holding may be checked against the Company's register of members and attendances recorded.

Corporate representatives

A body corporate, which is a Shareholder or which has been appointed as a proxy, may appoint an individual to act as its corporate representative at the Meeting in accordance with section 250D of the Corporations Act. The appropriate appointment document must be produced prior to admission. A form of the certificate can be obtained from the Company's registered office.

Voting by proxy

A Shareholder who is entitled to attend and cast a vote at the Meeting may appoint a proxy. A proxy need not be a Shareholder and may be an individual or body corporate. If a body corporate is appointed as a proxy it must appoint a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meeting (see above).

A Shareholder who is entitled to cast two or more votes may appoint two proxies to attend the Meeting and vote on their behalf and may specify the proportion or a number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions). If you wish to appoint a second proxy, you may copy the enclosed proxy form or obtain a form from the Company's registered office.

To be effective for the scheduled meeting a proxy appointment (and any power of attorney or other authority under which it is signed or otherwise authenticated, or a certified copy of that authority) must be received at an address or fax number below no later than 10:45am (WST) on 28 November 2018, being 48 hours before the time of the Meeting. Any proxy appointment received after that time will not be valid for the scheduled meeting.

Online at www.investorvote.com.au

By post to Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia

By facsimile to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

By mobile by scanning the QR Code on your proxy form and follow the prompts

Custodian Voting - For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

For further information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed proxy form.

Voting by attorney

A Shareholder may appoint an attorney to attend and vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company's share registry at least 48 hours prior to the commencement of the Meeting.

Chairman as proxy

If you appoint a proxy, the Company encourages you to consider directing them how to vote by marking the appropriate box on each of the proposed Resolutions.

If a Shareholder entitled to vote on a Resolution appoints the Chairman of the Meeting as their proxy (or the Chairman becomes their proxy by default) and the Shareholder does not direct the Chairman how to vote on the Resolution:

- The Chairman intends to vote in favour of the Resolution as proxy for that Shareholder on a poll; and
- For Resolution 1, the Shareholder will be taken to have given the Chairman express authority to vote as the Shareholder's proxy on those resolutions even though those resolutions are connected directly or indirectly with the remuneration of a member of the KMP for the Company and even though the Chairman is a member of the KMP, unless the Shareholder expressly indicates to the contrary in the proxy appointment.

If you do not want to put the Chairman in the position to cast your votes in favour of any of the proposed Resolutions, you should complete the appropriate box on the Proxy Form, directing your proxy to vote against, or to abstain from voting, on the Resolution.

Other members of KMP as proxy

If a Shareholder appoints a Director (other than the Chairman) or another member of the KMP (or a Closely Related Party of any such person) as their proxy and does not direct the proxy how to vote on Resolution 1 by marking the 'For', 'Against' or 'Abstain' box opposite the relevant Resolution on the proxy appointment, the proxy will not be able to exercise the Shareholder's proxy and vote on their behalf on those Resolutions.

QUESTIONS FROM SHAREHOLDERS

The Chairman will allow a reasonable opportunity for Shareholders at the Meeting to ask questions about and make comments on the management of the Company and on the annual financial report, the Directors' report (including the Remuneration Report) and the auditor's report (**Reports**), as well as each of the Resolutions to be considered at the Meeting.

A representative of the Company's auditor will attend the Meeting. During the Meeting's consideration of the Reports, the Chairman will allow a reasonable opportunity for Shareholders at the Meeting to ask the auditor's representative questions relevant to the:

- conduct of the audit;
- preparation and content of the auditor's report for the financial year ended 30 June 2018;
- accounting policies adopted by the Company in relation to the preparation of the financial statements contained in the Reports for that year; and
- independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to the Company's auditor if the question is relevant to the content of the auditor's report or the conduct of the audit.

If you wish to submit a question in advance of the Meeting, you may do so by sending your question to one of the addresses or facsimile numbers above by no later than 5:00pm, 23 November 2018. The Company and the auditor will attempt to respond to as many of the more frequently asked questions as possible. Due to the large number of questions that may be received, the Company and the auditor will not be replying on an individual basis.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2018 Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting preceding this Explanatory Statement. Capitalised terms in this Explanatory Statement and not otherwise defined, are defined in the glossary to this document.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Annual General Meeting, please contact the Company Secretary, Mr Brendon Morton, your stockbroker or other professional adviser.

ORDINARY BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the annual financial report, Directors' report and the auditor's report (**Annual Financial Statements**) to be received and considered at the Annual General Meeting. The Annual Financial Statements for the year ended 30 June 2018 are included in the Company's annual report, a copy of which can be accessed on-line at <http://www.easterngoldfields.com.au>. Alternatively, a hard copy will be made available on request.

There is no requirement for Shareholders to approve these reports and no vote will be taken on the Annual Financial Statements. However, Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Annual Financial Statements and the management of the Company.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Company's auditor, Ernst & Young, will be present at the Annual General Meeting and Shareholders will have the opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor's report, the Company's accounting policies, and the independence of the auditor.

Pursuant to Section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its Remuneration Report for the year ended 30 June 2018. The Remuneration Report is a distinct section of the annual Directors' report which deals with the remuneration of Directors, executives and senior managers of the Company. More particularly, the Remuneration Report can be found within the Directors' report in the Company's 30 June 2018 annual financial report, which is available on the Company's website at <http://www.easterngoldfields.com.au>.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out the remuneration details for each Director and executive officer named in the Remuneration Report for the financial year ended 30 June 2018.

The remuneration levels for Directors, executives and senior managers are competitively set to attract and retain appropriate Directors and KMP of the Company.

The Chair of the Annual General Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

2.1 Regulatory requirements

The Corporations Act provides that Resolution 1 need only be an advisory vote of Shareholders and does not bind the Directors. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, sections 250U and 250V of the Corporations Act set out a "two strikes" re-election process. Under the "two strikes" re-election process, if the Company's Remuneration Report receives a "no" vote of 25% or more of all votes cast at two consecutive annual general meetings (that is, "two strikes"), a resolution (**Spill Resolution**) must be put to the second annual general meeting, requiring Shareholders to vote on whether the Company must hold another general meeting (known as the "**spill meeting**") to consider the appointment of all of the Directors at the time the Directors' report was approved by the Board who must stand for re-appointment (other than the Managing Director).

If the Spill Resolution is approved at the annual general meeting by a simple majority of 50% or more of the eligible votes cast, the spill meeting must be held within 90 days of the Spill Resolution being passed (unless none of the Directors, other than the Managing Director, stand for reappointment).

2.2 Previous voting results

The votes cast against the adoption of the remuneration report considered at the Company's 2017 Annual General Meeting were less than 25%, and as such the Spill Resolution will not be relevant for this Annual General Meeting.

2.3 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

3. RESOLUTION 2 – ELECTION AS A DIRECTOR – MR PETER MANSELL

3.1 General

Clause 13.4 of the Constitution states that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Board. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election.

Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the Company.

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors every year.

Mr Mansell was appointed to the Board on 25 June 2018 to act as a non-executive Director. In accordance with clause 13.4 of the Constitution and Listing Rule 14.4, Mr Mansell now seeks election as a Director at the Annual General Meeting.

Mr Peter Mansell is a graduate of the University of Witwatersrand (B.Comm; LLB; Higher Diploma in Tax Law) and has over 15 years' experience as a listed company director in Australia, including as chair of two ASX 100 companies, Zinifex Limited and West Australian Newspapers Holdings Limited. Amongst other directorships, Mr Mansell currently chairs Energy Resources of Australia Ltd.

Mr Mansell has practiced as a corporate and resources lawyer in South Africa and Australia and was previously a partner at Freehills, including the Managing Partner for over 10 years, the National Chairman and took a leading role in the integration of the Freehills' offices during the Freehills' nationalisation in 2000. Peter has significant, varied corporate experience as a director and lawyer both internationally and in Australia.

Further details about the Directors are set out in the Company's 2018 Annual Report which is available on the Company's website at <http://www.easterngoldfields.com.au>.

3.2 Board recommendation

The Board, excluding Mr Mansell who declines to make a recommendation on Resolution 2, recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

4.1 Background

ASX Listing Rule 7.1A provides that an eligible entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital through placements over a 12 month period following the entity's annual general meeting (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if: (a) the entity has a market capitalisation of \$300 million or less; and (b) the entity is not included in the S&P/ASX 300 Index. The Company is an eligible entity for the purposes of Listing Rule 7.1A as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting, as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$87.6 million as at the date of this Notice of Meeting.

If Shareholders approve Resolution 3, the number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2 (as set out below).

The Company is putting Resolution 3 to Shareholders to seek approval to issue additional Equity Securities under the Additional 10% Placement Capacity throughout the 12 months after the Annual General Meeting. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied as set out in this Resolution below.

Listing Rule 7.1A

The effect of Resolution 3 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has one class of quoted Equity Securities on issue, being the Shares (ASX Code: EGS).

Based on the number of Shares on issue at the date of this Notice, the Company will have 761,784,750 Shares on issue and therefore, subject to Shareholder approval being sought under Resolution 4, 76,178,475 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based on the formula set out in Listing Rule 7.1A at the time of issue of the Equity Securities. The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

The exact number of Equity Securities that the Company may issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities according to the following formula:

$$(A \times D) - E$$

Where:

- A is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;

- (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
- (iv) less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

Resolution 3 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

Specific information required by Listing Rule 7.3A

The following information in relation to this Resolution 3 is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) **Minimum Price:** The Equity Securities issued under the Additional 10% Placement Capacity will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities in that class over the 15 trading days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed, provided that the issue is thereafter completed within 5 business days; or
 - (ii) if the Equity Securities are not issued within 5 business days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) **Risk of voting dilution:** If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted as shown in the table below. There is also a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

The table shows:

- (i) examples of where variable "A" is at its current level and where variable "A" has increased by 50% and by 100%*;
- (ii) examples of where the issue price of ordinary securities is the current market price as at the date of this Notice of Meeting, being \$0.115 (current market price), and where the current market price is halved, and where it is doubled; and
- (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.0575 Issue Price at half the current market price	\$0.115 Issue Price at current market price	\$0.23 Issue Price at double the current market price
Current Variable A 761,784,750	Shares issued – 10% voting dilution	76,178,475	76,178,475	76,178,475
	Funds raised	\$4,380,262	\$8,760,525	\$17,521,049
50% increase in current Variable A 1,142,677,125	Shares issued – 10% voting dilution	114,267,712	114,267,712	114,267,712
	Funds raised	\$6,570,393	\$13,140,787	\$26,281,573
100% increase in current variable A 1,523,569,500	Shares issued – 10% voting dilution	152,356,950	152,356,950	152,356,950
	Funds raised	\$8,760,525	\$17,521,049	\$35,042,098

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- (i) There are currently 761,784,750 Shares on issue.
- (ii) The issue price set out above is the closing price of the Shares on the ASX on the date of this notice of meeting.
- (iii) The Company issues the maximum possible number of Equity Securities under the Additional 10% Placement Capacity.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting using its placement capacity under Listing Rule 7.1 or 7.1A.
- (v) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vi) This table shows only the effect of issues of Equity Securities under Listing Rule 7.1A and does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- (vii) No Options are exercised before the date of the issue of the Equity Securities.
- (viii) The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised.
- (ix) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

(c) **Issue period**

If Shareholders approve Resolution 3, approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), (**Additional Placement Period**) after which date, an approval under Listing Rule 7.1A ceases to be valid.

The Company will only issue and allot Equity Securities under the Additional 10% Placement Facility during the Additional Placement Period.

(d) **Purpose of issue**

The Company may seek to issue the Equity Securities under the Additional 10% Placement Capacity for the following purposes:

- (i) cash consideration. If Equity Securities are issued for cash consideration, the Company intends to use the funds for exploration or development on its existing assets, to acquire new assets or investments and/or general working capital purposes; or
- (ii) non-cash consideration for the acquisition of new assets in, or complementary to, the resources sector. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy**

The Company will determine the recipients at the time of the issue under the Additional 10% Placement Capacity, having regard to the following factors:

- (i) the prevailing market conditions at the time of the issue;
- (ii) the purpose of the issue;
- (iii) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by alternative means such as an entitlements offer, a placement and another offer where existing Shareholders may participate;
- (iv) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of the proposed issued of Equity Securities;
- (v) the effect of the issue of the Equity Securities on the control of the Company;
- (vi) the circumstances of the Company, including, but not limited to the financial situation and solvency of the Company; and
- (vii) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The Company notes that:

- (i) the Board has formed no specific intentions to offer any placement to any existing Shareholders, class of Shareholders or any new investors;
- (ii) the Board will always consider, prior to making any placement whether the raising of funds could be achieved by means of an entitlements issue to existing Shareholders; and
- (iii) if any issue is announced, the Company would disclose its reasons for undertaking that particular issue rather than an entitlements issue to existing shareholders, should that occur.

The recipients under the Additional 10% Placement Capacity have not been determined as at the date of this Notice. They may, however, include current Shareholders, substantial Shareholders and/or new investors none of whom will be related parties (or their associates) of the Company.

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Resolution 3.

(f) **Previous issues of Equity Securities under Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2017 Annual General Meeting held on 19 December 2017. The Company has not issued any Equity Securities pursuant to this prior approval.

In the 12 months preceding this Notice of Annual General Meeting, the Company has issued 372,450,756 Equity Securities which represents approximately 59.81% of the total number of Equity Securities on issue at the commencement of that 12-month period.

Details of the Equity Securities issued in the 12-month period are outlined in Schedule 1 to this Notice of Meeting.

(g) **Voting exclusion statement**

A voting exclusion statement for Resolution 3 is included in the Notice of Annual General Meeting preceding this Explanatory Statement.

When the Company issues Equity Securities pursuant to the Additional 10% Placement Capacity, it will give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

4.2 **Board recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

5. **RESOLUTION 4 – ADOPTION OF NEW CONSTITUTION**

5.1 **Background**

The Company's existing Constitution was adopted on 16 November 2007. The terms of the existing Constitution have not been subject to a comprehensive review or update since that date and the Directors considered it appropriate to review the Constitution to ensure it reflects the present provisions of the Corporations Act and the ASX Listing Rules, as well as contemporary corporate governance standards.

The Board recommends that the existing Constitution be replaced to address specific matters that the Board considers to be in the best interests of the Company, and to promote the efficient running of the Company which should be of long-term benefit to the Company and its shareholders.

In light of the number of changes being proposed to various parts of the existing Constitution, and the fact that some of these changes are of a non-substantive nature, the Board has decided that it is most appropriate to adopt a wholly new constitution rather than approving numerous amendments to the existing Constitution.

It is not practical to list all the changes to the Constitution in this statement and shareholders are invited to contact the Company if they have any queries or concerns. However, the proposed changes that the Board considers more significant for shareholders are described below. In the discussion below, references to clauses are to clauses in the proposed new constitution, unless stated otherwise.

A copy of the proposed new constitution can be obtained prior to the meeting by contacting the Company. A copy of the new constitution will also be available for inspection at the meeting.

5.2 **Regulatory requirements**

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by a special resolution of its shareholders.

If the resolution is passed, the new constitution will take effect immediately.

5.3 Material changes to the Constitution

The material changes to the existing Constitution are outlined below.

Dividends

(a) Payment of dividends

Following amendments to the Corporations Act, companies are no longer restricted to paying dividends out of profits. Accordingly, the new constitution removes the requirement for dividends to be paid out of the profits of the Company.

The new constitution provides that directors may determine that a dividend is payable and fix the amount, time and method of payment.

Proceedings at General Meetings

(a) No casting vote for chairman

The new constitution provides that if there is an equality of votes at a general meeting, the chairman of the general meeting is not entitled to a casting vote. This is consistent with contemporary corporate governance standards for ASX listed companies.

(b) Direct Voting

The new constitution allows the Board to introduce direct voting, which allows Shareholders to exercise their voting rights before meetings without having to attend meetings or appoint proxies or representatives on their behalf. If the Board determines that votes may be cast by direct vote then the Board may make such rules as it considers appropriate for the casting of direct votes. A number of companies have included wording in their constitutions giving the Directors the right to implement direct voting in the future.

(c) Use of Technology at Meetings

The new constitution includes amendments to further facilitate the use of technology at general meetings. For example, amendments to article 10.3 provide that Members will be deemed to be present at a meeting where they are linked to the main place of a meeting by instantaneous audio-visual communication device (such as a teleconference) provided that the arrangements allow the Members a reasonable opportunity to participate in the proceedings, enables the chairman to be aware of the proceedings at the other location and enables the Members to vote on a show of hands or poll.

Proceedings of Directors

(a) Quorum for Directors' meeting

The new constitution provides that a quorum for a meeting of the Directors is three Directors (unless the Company only has three Directors, in which case, the quorum is two). This is consistent with contemporary corporate governance standards for ASX listed companies of this size.

Unmarketable parcels

(a) Sale of unmarketable parcels

The current procedure for calculating the price per share for which an unmarketable parcel may be sold is based upon the simple average of the last sale price on each of the last ten trading days immediately preceding the relevant date. Effectively, this requires that the last sale price over the 10 previous trading days must be effectively recalculated every day until an offer exceeding the price is received. This procedure is overly onerous and has, in part, made it exceedingly difficult to sell unmarketable parcels in the Company's previous facility.

The amendments to the Constitution will enable the Company to sell unmarketable parcels at the best price reasonably available at the time (as determined by the Directors). This will improve flexibility in relation to the sale of unmarketable shareholdings as well as remove the need for continuous recalculation of the price

Directors

(a) Director retirement

Under the new constitution, Directors will be required to retire no later than the third annual general meeting following their last election or appointment. Under the existing Constitution, one third of the Directors are required to retire at each annual general meeting. The new provision reflects common director rotation provisions amongst listed companies and is in line with the relevant Listing Rules.

Proportional Takeovers

(a) Inclusion of proportional takeover provisions

The Corporations Act permits a company to include in its constitution provisions prohibiting the registration of a transfer of securities resulting from a proportional takeover bid, unless the relevant shareholders in general meeting approve the bid.

It is a requirement of the Corporations Act that such provisions in a company's constitution apply for a maximum period of three years, unless earlier renewed. In the case of the Company, the applicable provisions existing Constitution ceased to apply as they have not been renewed in the specified period.

The Board has resolved to include proportional takeover provisions in the new Constitution and accordingly, a special resolution is being put to shareholders under section 648G of the Corporations Act (together with the special resolution being put to shareholders under section 136(2) of the Corporations Act in relation to the new Constitution as a whole) to insert the proportional takeover provisions which are contained in clause 9 of the new Constitution. If approved by shareholders at the AGM, clause 9 will operate for three years from the date of the meeting, unless renewed earlier.

(b) Effect of proportional takeover provisions

The effect of clause 9, if approved, will be that where a proportional takeover bid is made for shares in the Company (i.e. a bid is made for a specified proportion, but not all, of each holder's bid class securities), the Board must convene a meeting of holders of the relevant shares to vote on a resolution to approve that bid. The meeting must be held, and the resolution voted on, at least 15 days before the offer period under the bid closes. To be passed, the resolution must be approved by a majority of votes at the meeting, excluding votes by the bidder and its associates. However, the Corporations Act also provides that, if the meeting is not held within the time required, then a resolution to approve the proportional takeover bid will be deemed to have been passed.

If the resolution to approve the proportional takeover bid is passed or deemed to have been passed, the transfer of shares resulting from acceptance of an offer under that bid will be permitted, and the transfers registered, subject to the Corporations Act and the new Constitution of the Company. If the resolution is rejected, the registration of any transfer of shares resulting from an offer under the proportional takeover bid will be prohibited, and the bid deemed to be withdrawn.

Clause 9 will not apply to full takeover bids.

(c) Reason for proportional takeover provisions

In the Board's view, the relevant shareholders (that is, shareholders other than the bidder and its associates) should have the opportunity to vote on a proposed proportional takeover bid. A proportional takeover bid for the Company may enable control of the Company to be acquired by a party holding less than a majority interest. As a result, the relevant shareholders may not have the opportunity to dispose of all their shares, and risk being part of a minority interest in the Company or suffering loss if the takeover bid causes a decrease in the market price of the shares or makes the shares less attractive and, accordingly, more difficult to sell. Clause 9 would only permit this to occur with the approval of a majority of the relevant shareholders.

(d) Advantages and disadvantages of proportional takeover provisions

For the relevant shareholders, the potential advantages of clause 9 are that it will provide them with the opportunity to consider, discuss in a meeting called specifically for the purpose, and vote on whether a proportional takeover bid should be approved. This affords the relevant shareholders an opportunity to have a say in the future ownership and control of the Company and help the shareholders avoid being locked into a minority.

The Board believes this will encourage any proportional takeover bid to be structured so as to be attractive to at least a majority of the relevant shareholders. It may also discourage the making of a proportional takeover bid that might be considered opportunistic. Finally, knowing the view of a majority of the relevant shareholders may help each individual shareholder to assess the likely outcome of the proportional takeover bid and decide whether or not to accept an offer under the bid.

On the other hand, a potential disadvantage for the relevant shareholders arising from clause 9 is that proportional takeover bids may be discouraged by the further procedural steps that the clause will entail and, accordingly, this may reduce any takeover speculation element in the price of the Company's Shares. Shareholders may be denied an opportunity to sell a portion of their shares at an attractive price where the majority rejects an offer from persons seeking control of the Company.

The Company's directors do not consider that there are any advantages or disadvantages specific to the directors in relation to the proposed clause 9. The Board will continue to remain free to make a recommendation to shareholders as to whether a proportional takeover bid should be accepted.

(e) **Additional Information**

As at the date of this Notice of Meeting, none of the directors are aware of any proposal (other than the Recapitalisation and Capital Raising) by a person to acquire, or to increase the extent of, a substantial interest in the Company.

5.4 Other Amendments

There are a number of other differences between the existing and new constitution that are not summarised or referred to above because they do not materially alter the effect of the existing Constitution for shareholders. These include changes:

- (a) to update provisions to reflect the current position under the Corporations Act, Listing Rules and other applicable rules;
- (b) of a drafting, procedural or administrative nature;
- (c) to remove outdated and redundant provisions; and
- (d) to update names and definitions to reflect current terminology, although where possible the defined terms in the Corporations Act are relied on.

In addition, where appropriate, the new constitution removes duplication of existing requirements under the Corporations Act or the Listing Rules, which would otherwise require amendments if there are future legislative or regulatory changes.

5.5 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

6. BACKGROUND TO RESOLUTIONS 5 - 8

6.1 Background

At the General Meeting of the Company held on 19 December 2017, Shareholders of the Company approved the re-adoption of the Company's Employee Option Plan (**Option Plan**). The Employee Option Plan was established by the Company in order to:

- (a) reward employees of the Company;
- (b) assist in the retention and motivation of employees of the Company; and
- (c) provide an incentive to employees of the Company to grow shareholder value by providing them with an opportunity to receive an ownership interest in the Company.

In the pursuit of these principles, the Option Plan provides that Directors, executives and other employees may be offered the opportunity to be granted Options.

The Option Plan is designed to provide incentives to the employees and Directors of the Company and to recognise their contribution to the Company's success. Under the current circumstances the Directors consider that the Option Plan is a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as increased cash based remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Option Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain shareholdings in the Company.

As Directors of the Company may receive securities in the Company under the Option Plan, prior shareholder approval will therefore be required before a Director or Related Party of the Company can participate in an issue of Options under the Option Plan.

Accordingly, Shareholders are being asked to approve Resolutions 5 - 8 to allow Options to be issued under the Option Plan to Mr Peter Mansell, Mr David Quinlivan, Mr Keith Jones and Mr Tony Patrizi, as set out below.

The Options proposed to be issued, subject to obtaining Shareholder Approval, are to be issued in three tranches as follows:

- (a) a total of 3,000,000 Options will be issued with an exercise price of \$0.10 (**Tranche A Options**);
- (b) a total of 3,000,000 Options will be issued with an exercise price of \$0.125 (**Tranche B Options**); and
- (c) a total of 3,000,000 Options will be issued with an exercise price of \$0.15 (**Tranche C Options**);

Each of the Tranche A Options, Tranche B Options and Tranche C Options will have an expiry date of the third anniversary after the date of issue of the Options.

The Board has determined that the grant of Options under the Option Plan to Mr Peter Mansell, Mr David Quinlivan, Mr Keith Jones and Mr Tony Patrizi is an appropriate form of long term incentive based remuneration. The Board considers that, as the incoming directors are essential to the operation of the Company's ongoing business. Given the eligibility requirements for participation in the Option Plan, the Company notes that the Options will only be issued to the proposed incoming Directors once they have become Directors of the Company.

In determining the remuneration packages of Mr Peter Mansell, Mr David Quinlivan, Mr Keith Jones and Mr Tony Patrizi, including this proposed issue of Options, the Board considered the scope of their roles, the business challenges facing the Company and market practice for the remuneration of non-executive directors in positions of similar responsibility.

An overview of the terms of the Option Plan is included at Schedule 2 of this Explanatory Statement.

6.2 Corporations Act

Chapter 2E of the Corporations Act regulates the provision of "financial benefits" to "related parties" by a public company. Chapter 2E prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

A "related party" is widely defined under the Corporations Act, and includes the directors of the company under section 228 of the Corporations Act. As such, the Directors and proposed Directors of the Company are related parties of the Company for the purposes of section 208 of the Corporations Act.

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

The issue of the Options under Resolutions 5 - 8 therefore constitutes the provision of a financial benefit to a related party.

One of the nominated exceptions to the prohibition includes the provision of a financial benefit that constitutes reasonable remuneration to a related party as an officer or employee.

The Board considers that the proposed issues of Options under the Option Plan to Mr Peter Mansell, Mr David Quinlivan, Mr Keith Jones and Mr Tony Patrizi constitute "reasonable remuneration" within the meaning of section 211 of the Corporations Act and therefore Shareholder approval is not required pursuant to section 208 of the Corporations Act for the giving of the financial benefit to Mr Peter Mansell, Mr David Quinlivan, Mr Keith Jones and Mr Tony Patrizi constituted by the issue of the Options the subject of Resolutions 5 - 8.

7. RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS UNDER OPTION PLAN TO MR. PETER MANSELL

7.1 Background

As set out in section 7 of this Explanatory Statement, it is proposed that, subject to obtaining Shareholder approval, the Company issue 2,250,000 Options to Peter Mansell under the Option Plan, consisting of:

- (a) 750,000 Tranche A Options;
- (b) 750,000 Tranche B Options; and
- (c) 750,000 Tranche C Options.

7.2 Regulatory Requirements

Resolution 5 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14.

Listing Rule 10.14 provides that a company must not issue securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of Ordinary Securities. If approval is given by Shareholder under Listing Rule 10.14, separate Shareholder approval is not required under Listing Rule 10.11 (which provides a restriction against issuing securities to directors without shareholder approval) or Listing Rule 7.1.

Under Resolution 5, the Company seeks approval from Shareholders for the issue of 2,250,000 Options to Mr Peter Mansell.

7.3 Information required by Listing Rule 10.15

In compliance with the information requirements of Listing Rule 10.15 for the purposes of approval under Listing Rule 10.14, Shareholders are advised of the following information:

(a) Relationship with the Company

The Options are proposed to be issued to Mr Peter Mansell, who is a Director and is therefore a related party of the Company.

(b) Maximum number of securities to be issued

The Company intends to issue up to a maximum of 2,250,000 Options to Mr Peter Mansell pursuant to the Option Plan, consisting of 750,000 Tranche A Options, 750,000 Tranche B Options and 750,000 Tranche C Options.

The exercise price of an Option may be paid using the Cashless Exercise Facility (see item 5 of Schedule 2 for further details).

(c) Issue price

Each Option will be granted to Mr Peter Mansell under the Option Plan for nil consideration.

(d) Previous issues of securities

The Company has not previously issued any securities under the Option Plan since the Option Plan's most recent approval on 19 December 2017. The Company is seeking Shareholder approval to issue 30,000,000 Options under the Option Plan to Mr Craig Bradshaw at a general meeting of the Company to be held on 30 November 2018.

(e) Eligible persons

All Directors, senior executives, employees, contractors, or consultants of the Company or an associated body corporate are eligible to participate in the Option Plan.

(f) Voting exclusion statements

A voting exclusion statement for Resolution 5 is included in the Notice of Meeting preceding this Explanatory Statement.

(g) Loans in relation to acquisition of Options

No loans are being provided by the Company for the acquisition of Options under the Option Plan.

- (h) Issue date

The latest date that the Company will issue Options under Resolution 5 will be no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

The Company expects to issue all of the Options on the same date, however the exact date of issue is unknown at this stage.

7.4 Board recommendation

The Directors, other than Mr Peter Mansell who has a material personal interest in Resolution 5, recommend that Shareholders vote in favour of Resolution 5 on the basis that the grant of Options will allow the Company to incentivise Mr Peter Mansell by aligning his interests with that of the Company, as well as preserving the Company's capital reserves.

8. RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS UNDER OPTION PLAN TO MR. DAVID QUINLIVAN

8.1 Background

As set out in section 7 of this Explanatory Statement, it is proposed that, subject to obtaining Shareholder approval, the Company issue 2,250,000 Options to Mr David Quinlivan under the Option Plan, consisting of:

- (a) 750,000 Tranche A Options;
- (b) 750,000 Tranche B Options; and
- (c) 750,000 Tranche C Options.

8.2 Regulatory Requirements

Resolution 6 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14.

Listing Rule 10.14 provides that a company must not issue securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of Ordinary Securities. If approval is given by Shareholder under Listing Rule 10.14, separate Shareholder approval is not required under Listing Rule 10.11 (which provides a restriction against issuing securities to directors without shareholder approval) or Listing Rule 7.1.

Under Resolution 6, the Company seeks approval from Shareholders for the issue of 2,250,000 Options to Mr David Quinlivan.

8.3 Information required by Listing Rule 10.15

In compliance with the information requirements of Listing Rule 10.15 for the purposes of approval under Listing Rule 10.14, Shareholders are advised of the following information:

- (a) Relationship with the Company

The Options are proposed to be issued to Mr David Quinlivan, who is proposed to be a Director and is therefore a related party of the Company.

- (b) Maximum number of securities to be issued

The Company intends to issue up to a maximum of 2,250,000 Options to Mr David Quinlivan pursuant to the Option Plan, consisting of 750,000 Tranche A Options, 750,000 Tranche B Options and 750,000 Tranche C Options.

The exercise price of an Option may be paid using the Cashless Exercise Facility (see item 5 of Schedule 2 for further details).

- (c) Issue price

Each Option will be granted to Mr David Quinlivan under the Option Plan for nil consideration.

- (d) Previous issues of securities

The Company has not previously issued any securities under the Option Plan since the Option Plan's most recent approval on 19 December 2017. The Company seeking Shareholder approval to issue 30,000,000 Options under the Option Plan to Mr Craig Bradshaw at a general meeting of the Company to be held on 30 November 2018.

- (e) Eligible persons
All Directors, senior executives, employees, contractors, or consultants of the Company or an associated body corporate are eligible to participate in the Option Plan.
- (f) Voting exclusion statements
A voting exclusion statement for Resolution 6 is included in the Notice of Meeting preceding this Explanatory Statement.
- (g) Loans in relation to acquisition of Options
No loans are being provided by the Company for the acquisition of Options under the Option Plan.
- (h) Issue date
The latest date that the Company will issue Options under Resolution 6 will be no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). It is anticipated that the Options will be issued shortly after Mr David Quinlivan becomes a Director of the Company.
The Company expects to issue all of the Options on the same date, however the exact date of issue is unknown at this stage.

8.4 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6 on the basis that the grant of Options will allow the Company to incentivise Mr David Quinlivan by aligning his interests with that of the Company, as well as preserving the Company's capital reserves.

9. RESOLUTION 7 – APPROVAL TO ISSUE OPTIONS UNDER OPTION PLAN TO MR. KEITH JONES

9.1 Background

As set out in section 7 of this Explanatory Statement, it is proposed that, subject to obtaining Shareholder approval, the Company issue 2,250,000 Options to Mr Keith Jones under the Option Plan, consisting of:

- (a) 750,000 Tranche A Options;
- (b) 750,000 Tranche B Options; and
- (c) 750,000 Tranche C Options.

9.2 Regulatory Requirements

Resolution 7 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14.

Listing Rule 10.14 provides that a company must not issue securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of Ordinary Securities. If approval is given by Shareholder under Listing Rule 10.14, separate Shareholder approval is not required under Listing Rule 10.11 (which provides a restriction against issuing securities to directors without shareholder approval) or Listing Rule 7.1.

Under Resolution 7, the Company seeks approval from Shareholders for the issue of 2,250,000 Options to Mr Keith Jones.

9.3 Information required by Listing Rule 10.15

In compliance with the information requirements of Listing Rule 10.15 for the purposes of approval under Listing Rule 10.14, Shareholders are advised of the following information:

- (a) Relationship with the Company

The Options are proposed to be issued to Mr Keith Jones, who is proposed to be a Director and is therefore a related party of the Company.

- (b) Maximum number of securities to be issued

The Company intends to issue up to a maximum of 2,250,000 Options to Mr Keith Jones pursuant to the Option Plan, consisting of 750,000 Tranche A Options, 750,000 Tranche B Options and 750,000 Tranche C Options.

The exercise price of an Option may be paid using the Cashless Exercise Facility (see item 5 of Schedule 2 for further details).

- (c) Issue price

Each Option will be granted to Mr Keith Jones under the Option Plan for nil consideration.

- (d) Previous issues of securities

The Company has not previously issued any securities under the Option Plan since the Option Plan's most recent approval on 19 December 2017. The Company is seeking Shareholder approval to issue 30,000,000 Options under the Option Plan to Mr Craig Bradshaw at a general meeting of the Company to be held on 30 November 2018.

- (e) Eligible persons

All Directors, senior executives, employees, contractors, or consultants of the Company or an associated body corporate are eligible to participate in the Option Plan.

- (f) Voting exclusion statements

A voting exclusion statement for Resolution 7 is included in the Notice of Meeting preceding this Explanatory Statement.

- (g) Loans in relation to acquisition of Options

No loans are being provided by the Company for the acquisition of Options under the Option Plan.

- (h) Issue date

The latest date that the Company will issue Options under Resolution 7 will be no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). It is anticipated that the Options will be issued shortly after Mr Keith Jones becomes a Director of the Company.

The Company expects to issue all of the Options on the same date, however the exact date of issue is unknown at this stage.

9.4 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7 on the basis that the grant of Options will allow the Company to incentivise Mr Keith Jones by aligning his interests with that of the Company, as well as preserving the Company's capital reserves.

10. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS UNDER OPTION PLAN TO MR. TONY PATRIZI

10.1 Background

As set out in section 7 of this Explanatory Statement, it is proposed that, subject to obtaining Shareholder approval, the Company issue 2,250,000 Options to Mr Tony Patrizi under the Option Plan, consisting of:

- (a) 750,000 Tranche A Options;
- (b) 750,000 Tranche B Options; and
- (c) 750,000 Tranche C Options.

10.2 Regulatory Requirements

Resolution 8 seeks Shareholder approval in order to comply with the requirements of Listing Rule 10.14.

Listing Rule 10.14 provides that a company must not issue securities to a director of the company under an employee incentive scheme unless the issue has been approved by holders of Ordinary Securities. If approval is given by Shareholder under Listing Rule 10.14, separate Shareholder approval is not required under Listing Rule 10.11 (which provides a restriction against issuing securities to directors without shareholder approval) or Listing Rule 7.1.

Under Resolution 8, the Company seeks approval from Shareholders for the issue of 2,250,000 Options to Mr Tony Patrizi.

10.3 Information required by Listing Rule 10.15

In compliance with the information requirements of Listing Rule 10.15 for the purposes of approval under Listing Rule 10.14, Shareholders are advised of the following information:

(a) Relationship with the Company

The Options are proposed to be issued to Mr Tony Patrizi, who is proposed to be a Director and is therefore a related party of the Company.

(b) Maximum number of securities to be issued

The Company intends to issue up to a maximum of 2,250,000 Options to Mr Tony Patrizi pursuant to the Option Plan, consisting of 750,000 Tranche A Options, 750,000 Tranche B Options and 750,000 Tranche C Options.

The exercise price of an Option may be paid using the Cashless Exercise Facility (see item 5 of Schedule 2 for further details).

(c) Issue price

Each Option will be granted to Mr Tony Patrizi under the Option Plan for nil consideration.

(d) Previous issues of securities

The Company has not previously issued any securities under the Option Plan since the Option Plan's most recent approval on 19 December 2017. The Company is seeking Shareholder approval to issue 30,000,000 Options under the Option to Mr Craig Bradshaw at a general meeting of the Company to be held on 30 November 2018.

(e) Eligible persons

All Directors, senior executives, employees, contractors, or consultants of the Company or an associated body corporate are eligible to participate in the Option Plan.

(f) Voting exclusion statements

A voting exclusion statement for Resolution 8 is included in the Notice of Meeting preceding this Explanatory Statement.

(g) Loans in relation to acquisition of Options

No loans are being provided by the Company for the acquisition of Options under the Option Plan.

(h) Issue date

The latest date that the Company will issue Options under Resolution 8 will be no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). It is anticipated that the Options will be issued shortly after Mr Tony Patrizi becomes a Director of the Company.

The Company expects to issue all of the Options on the same date, however the exact date of issue is unknown at this stage.

10.4 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8 on the basis that the grant of Options will allow the Company to incentivise Mr Tony Patrizi by aligning his interests with that of the Company, as well as preserving the Company's capital reserves.

GLOSSARY

Annual General Meeting or Meeting means the meeting convened by the Notice.

Associate has the meaning given to that term in the Listing Rules or the Corporations Act (as the context requires).

ASX means ASX Limited ACN 008 624 691, or the financial market operated by it as the context requires.

Board means the current board of directors of the Company.

Capital Raising means the capital raising set out in the Company's announcement dated 28 September 2018.

Chair or Chairman means the chair of the Meeting.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Eastern Goldfields Limited ACN 100 038 266.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the current directors of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice.

KMP means the key management personnel of the Company and has the meaning given to that term in the Corporations Act.

Listing Rules means the Listing Rules of ASX as amended from time to time.

Meeting or Annual General Meeting means the annual general meeting convened by this Notice of Annual General Meeting.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Recapitalisation means the recapitalisation set out in the Company's announcement dated 28 September 2018.

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

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual report for the year ended 30 June 2018.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia

SCHEDULE 1

DETAILS OF EQUITY SECURITIES ISSUED IN THE 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING

Issue Date	Number & Class of Securities	Allottees	Issue Price and discount Market Price (if applicable)	Form of Consideration
31/01/2018	65,350,000 Shares	Issued to institutional and sophisticated investors pursuant to Placement announced 31 January 2018	\$0.20 (discount of 14.28%)	Amount raised: \$13,070,000 Amount spent: \$13,070,000 Use of funds: Funds raised were used in accordance with the use of funds described in the Company's prospectus dated 1 February as supplemented by the supplementary prospectus dated 20 February 2018.
31/01/2018	65,350,000 Options	Issued to institutional and sophisticated investors pursuant to Placement announced 31 January 2018	Nil (32,675,000 Options are exercisable at \$0.25 and 32,675,000 Options are exercisable at \$0.275)	Amount Spent: Nil Amount Remaining: Nil Options were issued as free attaching options in connection with issue of shares pursuant to Placement announced 31 January 2018, and as such no funds were raised. In the event of the exercise of Options, any funds raised will be used to continue the development of the Company's Davyhurst Project and for general working purposes.
31/01/2018	750,000 Shares	Issued to Mr Craig Readhead	Deemed issue price of \$0.20 (discount of 14.28%)	Amount Spent: Nil Amount Remaining: Nil Shares were issued to Mr Craig Readhead in lieu of Director's fees and outstanding fees for legal consulting services provided to the Company, as approved by Shareholders on 4 January 2018.
02/02/2018	87,500,000 Shares	Issued to Hawke's Point Holdings LP	\$0.20 (discount of 14.28%)	Amount raised: \$17,500,000 Amount spent: \$17,500,000 Use of funds: Funds raised were used in accordance with the use of funds described in the Company's prospectus dated 1 February as supplemented by the supplementary prospectus dated 20 February 2018.
02/02/2018	7,642,500 Options	Issued to Jett Capital Advisers LLC	Nil (Options are exercisable at \$0.26)	Amount Spent: Nil Amount Remaining: Nil Options were issued in part consideration for services provided to the Company and as such no funds were raised. In the event of the exercise of Options, any funds raised will be used to continue the development of the Company's Davyhurst Project and for general working purposes. Current value of non-cash consideration: A Black-Scholes option valuation (with an assumed share price of \$0.05, this being equivalent to the capital raising price in connection with the Recapitalisation) provides a current valuation of \$50,652.

02/02/2018	1,000,000 Options	Issued to Jett Capital Advisers LLC	Nil (Options are exercisable at \$0.465)	<p>Amount Spent: Nil</p> <p>Amount Remaining: Nil</p> <p>Options were issued in part consideration for services provided to the Company and as such no funds were raised. In the event of the exercise of Options, any funds raised will be used to continue the development of the Company's Davyhurst Project and for general working purposes.</p> <p>Current value of non-cash consideration: A Black-Scholes option valuation (with an assumed share price of \$0.05, this being equivalent to the capital raising price in connection with the Recapitalisation) provides a current valuation of \$3,202.</p>
09/02/2018	87,500,000 Options	Issued to Hawke's Point Holdings LP	Nil (43,750,000 Options are exercisable at \$0.25 and 43,750,000 Options are exercisable at \$0.275)	<p>Amount Spent: Nil</p> <p>Amount Remaining: Nil</p> <p>Options were issued as free attaching options in connection with issue of shares pursuant to Placement announced 31 January 2018, and as such no funds were raised. In the event of the exercise of Options, any funds raised will be used to continue the development of the Company's Davyhurst Project and for general working purposes.</p>
28/02/2018	14,021,303 Shares	Issued to existing shareholders pursuant to the Company's non-renounceable entitlement offer.	\$0.20 (discount of 14.28%)	<p>Amount raised: \$2,804,260</p> <p>Amount spent: \$2,804,260</p> <p>Use of funds: Funds raised were used in accordance with the use of funds described in the Company's prospectus dated 1 February as supplemented by the supplementary prospectus dated 20 February 2018.</p>
28/02/2018	14,021,303 Options	Issued to existing shareholders pursuant to the Company's non-renounceable entitlement offer.	Nil (7,010,694 Options are exercisable at \$0.25 and 7,010,694 Options are exercisable at \$0.275)	<p>Amount Spent: Nil</p> <p>Amount Remaining: Nil</p> <p>Options were issued as free attaching options in connection with issue of shares pursuant to the Company's non-renounceable entitlement offer, and as such no funds were raised. In the event of the exercise of Options, any funds raised will be used to continue the development of the Company's Davyhurst Project and for general working purposes.</p>
14/03/2018	11,000,000 Shares	Issued to Whitestone Mining Services Pty Limited (or its nominee) pursuant to underwriting agreement entered in relation to the Company's non-renounceable entitlement offer	\$0.20 (discount of 14.28%)	<p>Amount raised: \$2,200,000</p> <p>Amount spent: \$2,200,000</p> <p>Use of funds: Funds raised were used in accordance with the use of funds described in the Company's prospectus dated 1 February as supplemented by the supplementary prospectus dated 20 February 2018.</p>

14/03/2018	11,000,000 Options	Issued to Investmet Limited (or its nominee) pursuant to underwriting agreement entered in relation to the Company's non-renounceable entitlement offer	Nil (5,500,000 Options are exercisable at \$0.25 and 5,500,000 Options are exercisable at \$0.275)	Amount Spent: Nil Amount Remaining: Nil Options were issued as free attaching options in connection with issue of shares pursuant to the Company's non-renounceable entitlement offer, and as such no funds were raised. In the event of the exercise of Options, any funds raised will be used to continue the development of the Company's Davyhurst Project and for general working purposes.
06/04/2018	15,085,851	Issued to holder of Unlisted Options following exercise of Unlisted Options	\$0.168 (discount of 27.99%)	Amount raised: \$2,534,422 Amount Spent: \$2,534,422 Use of funds: Funds raised were used to continue the development of the Company's Davyhurst Project and for general working purposes.
21/05/2018	3,125,500 Shares	Issued to participants in the Shortfall Offer in relation to the Company's non-renounceable entitlement offer	\$0.20 (discount of 14.28%)	Amount raised: \$625,000 Amount spent: \$625,000 Use of funds: Funds raised were used in accordance with the use of funds described in the Company's prospectus dated 1 February as supplemented by the supplementary prospectus dated 20 February 2018.
21/05/2018	3,125,500 Options	Issued to participants in the Shortfall Offer in relation to the Company's non-renounceable entitlement offer	Nil (1,562,500 Options are exercisable at \$0.25 and 1,562,500 Options are exercisable at \$0.275)	Amount Spent: Nil Amount Remaining: Nil Options were issued as free attaching options in connection with issue of shares pursuant to the Shortfall Offer in connection with the Company's non-renounceable entitlement offer, and as such no funds were raised. In the event of the exercise of Options, any funds raised will be used to continue the development of the Company's Davyhurst Project and for general working purposes.
25/09/2018	12 Shares	Issued to holder of Unlisted Options following exercise of Unlisted Options	\$0.25 \$0.275	Amount raised: \$3.13 Amount Spent: \$3.13 Use of funds: Funds raised were used to continue the development of the Company's Davyhurst Project and for general working purposes.

SCHEDULE 2

SUMMARY OF EMPLOYEE OPTION PLAN

1. Eligibility

The Board may, in its absolute discretion, invite an eligible employee to participate in the Option Plan. An eligible employee includes a director, senior executive or employee of the Company or an associated body corporate of the Company.

2. Terms of Options

- (a) Each Option will be granted to eligible employees under the Option Plan for nil consideration.
- (b) Each Option will entitle its holder to subscribe for and be issued, one fully paid ordinary share in the capital of the Company (upon vesting and exercise of that Option).
- (c) Options will not be listed for quotation on the ASX, however, the Company will apply for official quotation of the Shares issued upon the exercise of any vested Options.
- (d) The grant date and expiry date of an Option shall be as determined by the Board when an offer to participate in the Option Plan is made.
- (e) The exercise price of an Option shall be as determined by the Board when an offer to participate in the Option Plan is made.
- (f) A participant is not entitled to participate in or receive any dividend or other Shareholder benefits until its Options have vested and been exercised and Shares have been allocated to the participant as a result of the exercise of those Options.
- (g) There are no participating rights or entitlements inherent in the Options and participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of the Options.
- (h) Following the issue of Shares following exercise of vested Options, participants will be entitled to exercise all rights of a Shareholder attaching to the Shares, subject to any disposal restrictions advised to the participant at the time of the grant of the Options.

3. Performance conditions

When granting Options, the Board may make their vesting conditional on the satisfaction of a performance condition within a specified period. The Board may at any time waive or change a performance condition or performance period in accordance with the Option Plan rules if the Board (acting reasonably) considers it appropriate to do so.

4. Vesting

The Options will vest following satisfaction of the performance conditions or such other date as determined by the Board in its discretion.

Subject to the Option Plan rules, the Board may declare that all or a specified number of any unvested Options granted to a participant which have not lapsed immediately vest if, in the opinion of the Board a change of control in relation to the Company has occurred, or is likely to occur, having regard to the participant's pro rata performance in relation to the applicable performance conditions up to that date.

Subject to the Option Plan rules, the Board may in its absolute discretion, declare the vesting of an Option where the Company is wound up or passes a resolution to dispose of its main undertaking.

If there is any internal reconstruction or acquisition of the Company which does not involve a significant change in the identity of the ultimate Shareholders of the Company, the Board may declare in its sole discretion whether and to what extent Options, which have not vested by the day the reconstruction takes place, will vest.

5. Cashless Exercise Facility

Participants may, at their election, elect to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the participant will receive Shares to the value of the surplus after the exercise price has been set off.

If a Participant elects to use the Cashless Exercise Facility, the participant will only be issued that number of Shares equivalent in value to the number of Options exercised using the Cashless Exercise Facility, multiplied by the excess of the Share price on the exercise date (determined as the volume weighted average price of Shares on the ASX over the one week up to and including the exercise date) over the exercise price.

6. Disposal restrictions

A participant may not transfer an Option granted under the Option Plan without the prior consent of the Board.

7. Overriding restrictions

No issue or allocation of Options and/or Shares will be made to the extent that it would contravene the Constitution, Listing Rules, the Corporations Act or any other applicable law.

8. Lapse

(a) An Option will immediately lapse upon the first to occur of:

- (i) its expiry date;
- (ii) the performance condition(s) (if any) not being satisfied prior to the end of the performance period(s);
- (iii) the transfer or purported transfer of the Option in breach of the Option Plan rules;
- (iv) if the Option has not vested, the day that is 30 days following the date the participant voluntarily or for a bona fide reason ceases to be employed or engaged by the Company or an associated body corporate;
- (v) termination of the participant's employment or engagement with the Company or an associated body corporate for cause; or
- (vi) 6 months after an event which gives rise to a vesting under the Option Plan rules.

(b) Where a participant ceases to be employed or engaged by the Company or an associated body corporate by reason of their death, disability, bona fide redundancy, and the Options have vested, they will remain exercisable by that participant's estate or legal representative until the Options lapse in accordance with the Option Plan rules or if they have not vested, the Board will determine as soon as reasonably practicable after the date the participant ceases to be employed or engaged, how many (if any) of those participant's Options will be deemed to have vested and will be exercisable by that participant's estate or legal representative.

9. Participation Rights or Entitlements

There are no participating rights or entitlements inherent in the Options and participants will not be entitled to participate in new issues of securities offered to shareholders during the currency of the Options. However, the Company must give notice to the holders of Options of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules so as to give participants the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.

10. Reorganisation of Share Capital

In the event of a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the participant shall be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

11. Bonus Issues

If, from time to time, before the expiry of the Options the Company makes a pro rata issue of Shares to Shareholders for no consideration, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the participant would have received if the Option had been exercised before the date for calculating entitlements to the pro rata issue.

12. Pro Rata Issues

There will be no change to the exercise price of the Option or the number of Shares over which the Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares in the Company (other than bonus issue).


13. Other conditions

An Option may only be granted if, immediately following its grant, the Company has reasonable grounds to believe that the number of Shares that have been or may be issued in any of the following circumstances will not exceed 5% of the total number of issued Shares in that class of the Company at the time the Option is granted:

- (a) Shares that may be issued under the offer;
- (b) Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:
 - (i) an employee incentive scheme covered by ASIC Class Order [CO 14/1000] or ASIC Class Order [CO 03/184]; or
 - (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

For personal use only

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form - Annual General Meeting

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Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 182320

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 10:45am (WST) Wednesday, 28 November 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Eastern Goldfields Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Eastern Goldfields Limited to be held at Ernst & Young, 11 Mounts Bay Road, Perth, Western Australia on Friday, 30 November 2018 at 10:45am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5 - 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 5 - 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 5 - 8 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain		For	Against	Abstain	
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Approval to issue Options under Option Plan to Mr. Keith Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election as a Director – Mr. Peter Mansell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval to issue Options under Option Plan to Mr. Tony Patrizi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 4	Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 5	Approval to issue Options under Option Plan to Mr. Peter Mansell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Approval to issue Options under Option Plan to Mr. David Quinlivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 <input type="text"/>	Securityholder 2 <input type="text"/>	Securityholder 3 <input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____