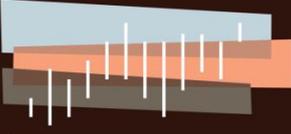


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ASX ANNOUNCEMENT

8 January 2018



Eastern  
Goldfields  
Ltd

## ASX GRANTS WAIVER

### HIGHLIGHTS

- **ASX grants EGS a waiver from listing rule 6.18 to enable the Company to provide an anti-dilution right to Hawke's Point should the placement to Hawke's Point proceed.**

Eastern Goldfields Limited (ASX:EGS) (**Eastern Goldfields** or the **Company**) announced on 9 November 2017 that it had:

- (a) entered a binding agreement for a cornerstone investment of \$17.5 million from Hawke's Point Holdings L.P. (**Hawke's Point**); and
- (b) was seeking firm commitments from sophisticated, professional and institutional investors to raise up to an additional \$12.5 million (before costs) through the issue of between 137,500,000 and up to 150,000,000 million fully paid ordinary shares in the Company (**Shares**) at a price of \$0.20 per share, (the **Placement**).

The Company received shareholder approval to issue equity securities under the Placement at the general meeting of the Company held on 4 January 2018.

The agreement with Hawke's Point contemplates the establishment of a strategic relationship between Hawke's Point and the Company. Among other things, subject to the completion of the Placement and ASX granting a waiver from ASX Listing Rule 6.18, the Company would grant Hawke's Point an anti-dilution right to maintain its percentage holding in the Company if the Company conducts an equity capital raising in the future by way of the issue of equity securities.

The Company is pleased to announce that the ASX has granted a waiver from Listing Rule 6.18 to enable the Company to grant the anti-dilution right. The terms of the waiver are set out in the Attachment to this announcement.

It should be noted that the anti-dilution right will only be granted if the Placement is completed.

### Investor Enquiries

**Michael Fotios**

Executive Chairman

T: +61 8 6241 1888

E: [admin@easterngoldfields.com.au](mailto:admin@easterngoldfields.com.au)

#### BOARD OF DIRECTORS

Mr Michael Fotios  
Executive Chairman

Mr Craig Readhead  
Non-Executive Director

Mr Alan Still  
Non-Executive Director

Ms Shannon Coates  
Company Secretary

#### ISSUED CAPITAL

Shares: 564m\*

Options: 58m

Current Share Price: \$0.235

Market Capitalisation: \$132m

Cash as at 30/09/2017:

\$37,000\*\*

\*66,668 escrowed indefinitely

\*\*Excluding total debt facilities

of \$35m, see ASX

announcement 31 Jan 2017.

#### EASTERN GOLDFIELDS LIMITED

ACN 100 038 266  
24 Mumford Place  
Balcatta WA 6021

T: +61 8 6241 188

F: +61 8 6241 1811

E: [admin@easterngoldfields.com.au](mailto:admin@easterngoldfields.com.au)

[www.easterngoldfields.com.au](http://www.easterngoldfields.com.au)

## **Attachment – Terms of ASX waiver**

1. *Based solely on the information provided, ASX Limited (“ASX”) grants Eastern Goldfields Limited (the “Company”) a waiver from listing rule 6.18 to the extent necessary to permit Hawke’s Point Holdings L.P. and its related bodies corporate (“Hawke’s Point”) to maintain, by way of a right to participate in any issue of securities or to subscribe for securities, its percentage interest in the issued share capital of the Company (the “Anti-Dilution Right”) in respect of a diluting event which occurs, on the following conditions.*
  - 1.1. *The Anti-Dilution Right lapses on the earlier of:*
    - 1.1.1. *the date on which Hawke’s Point ceases to hold in aggregate at least 10% voting power in the Company (other than as a result of shares (or equity securities) to which the Anti-Dilution Right applies and in respect of which Hawke’s Point is still entitled to exercise, or has exercised, the Anti-Dilution Right);*
    - 1.1.2. *the date on which Hawke’s Point’s voting power in the Company exceeds 25%;*  
*or*
    - 1.1.3. *the strategic relationship between the Company and Hawke’s Point ceasing or changing in such a way that it effectively ceases.*
  - 1.2. *The Anti-Dilution Right may only be transferred to an entity in the wholly owned group of Hawke’s Point.*
  - 1.3. *Any securities issued under the Anti-Dilution Right are offered to Hawke’s Point for cash consideration that is:*
    - 1.3.1. *no more favourable than cash consideration paid by third parties (in the case of issues of securities to third parties for cash consideration); or*
    - 1.3.2. *equivalent in value to non-cash consideration offered by third parties (in the case of issues of securities to third parties for non-cash consideration).*
  - 1.4. *The number of securities that may be issued to Hawke’s Point under the Anti-Dilution Right in the case of any diluting event must not be greater than the number required in order for Hawke’s Point to maintain its percentage holding in the issued share capital of the Company immediately before that diluting event.*
  - 1.5. *The Company discloses a summary of the Anti-Dilution Right to persons who may subscribe for securities under a prospectus, and undertakes to include in each annual report a summary of the Anti-Dilution Right.*
  - 1.6. *The Company immediately releases the terms of the waiver to the market.*

### ***Forward Looking Statements***

Eastern Goldfields Limited has prepared this announcement based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Eastern Goldfields Limited, its directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it. This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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