

EASTERN GOLDFIELDS LIMITED

ACN 100 038 266

NOTICE OF 2014 ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 11am WST
DATE: Wednesday, 16 March 2016
PLACE: 9 Mumford Place, Balcatta, WA 6021

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, Ms Shannon Coates, on +61 8 6241 1866.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2014 Annual General Meeting of the Shareholders of Eastern Goldfields Limited (**EGS** or the **Company**) will be held at 9 Mumford Place, Balcatta WA 6021 on Wednesday, 16 March 2016 commencing at 11am WST 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 – PERIOD 1 JULY 2013 – 30 JUNE 2014

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 2014.

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 2014."

Voting exclusion: The Company will disregard any votes cast on Resolution 1 by 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 – RE-ELECTION AS A DIRECTOR – MR. CRAIG READHEAD

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

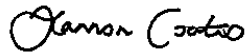
"That, for the purposes of Listing Rule 14.4, clause 13.2 of the Constitution and for all other purposes, Mr. Craig Readhead, retires, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – RE-ELECTION AS A DIRECTOR – MR. ALAN STILL

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

“That, for the purposes of Listing Rule 14.4 and clause 13.4 of the Constitution and for all other purposes, Mr. Alan Still, retires, and being eligible, is re-elected as a Director.”

BY ORDER OF THE BOARD OF DIRECTORS



SHANNON COATES
Company Secretary

12 February 2016

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 4.00 pm (WST) / 7.00pm (AEDT) on Monday, 14 March 2016. 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 11am (WST) on Monday, 14 March 2016, being 48 hours before the time of the Meeting. Any proxy appointment received after that time will not be valid for the scheduled meeting.

In person at Level 1, 24 Mumford Street, Balcatta WA 6021

By post to Level 1, 24 Mumford Street, Balcatta WA 6021

By facsimile to +61 8 6241 1811

By scan and email to admin@easterngoldfields.com.au

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 at one of the addresses listed above for the receipt of proxy appointments 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 that resolution even though the resolution is 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 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 that Resolution.

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 2014;
- 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 Friday, 11 March 2016. 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 2014 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, Ms Shannon Coates, 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 2014 are included in the Company's annual financial 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.

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.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 Background

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 2014. 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 2014 annual 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 2014.

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

2.2 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, the Corporations Act sets 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 who were directors when the resolution to make the directors' report considered at the second annual general meeting (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 that second annual general meeting (unless none of the Directors, other than the Managing Director, stand for reappointment).

2.3 Previous voting results

At the Company's 2013 Annual General Meeting less than 1% of the votes cast on the adoption of the remuneration report voted against the resolution. Approximately 30% of the votes cast voted for the resolution with the balance of votes cast abstaining. Accordingly, the Spill Resolution will not be put to the Annual General Meeting even if 25% of the votes cast in respect of the Remuneration Report are against its adoption.

2.4 Board recommendation

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

3. RESOLUTION 2 AND 3 – RE-ELECTION OF DIRECTORS

3.1 General

Clause 13.2 of the Constitution provides that at each annual general meeting of the Company, one third (or nearest number) of Directors at that time must retire from office. A retiring Director is eligible for re-election at such meeting. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

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

For these reasons, Mr Craig Readhead retires and, being eligible, stands for re-election as a Director at the Annual General Meeting.

In addition, Mr Alan Still was appointed to fill a casual vacancy on 31 March 2015.

Clause 13.4 of the Constitution and Listing Rule 14.4 provide 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.

For this reason, Mr Alan Still retires and, being eligible, stands for re-election as a Director at the Annual General Meeting.

Further details about the Directors are set out in the Company's 2014 annual report which is available on the Company's website at <http://www.easterngoldfields.com.au>.

3.2 Board recommendation

The Board, excluding Mr Craig Readhead (in respect of Resolution 2) and Mr Alan Still (in respect of Resolution 3) who decline to make a recommendation on the respective Resolutions, recommends that Shareholders vote in favour of Resolutions 2 and 3.

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.

Chair or **Chairman** means the chair of the Meeting.

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.

Explanatory Statement means the explanatory statement accompanying the Notice.

KMP means Key Management Personnel 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.

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

Proxy Form means the proxy form accompanying the Notice.

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 2014.

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

Shareholder means a holder of a Share.

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

PROXY FORM

**APPOINTMENT OF PROXY
EASTERN GOLDFIELDS LIMITED
ACN 100 038 266**

2014 ANNUAL GENERAL MEETING

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby
appoint

Name of proxy

OR ☐ the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11am (WST), on Wednesday, 16 March 2016 at 9 Mumford Place, Balcatta WA 6021, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of Remuneration Report	☐	☐	☐
Resolution 2 – Re-election as a Director – Mr. Craig Readhead	☐	☐	☐
Resolution 3 – Re-election as a Director – Mr. Alan Still	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Important for Resolution 1

Chair authorised to exercise undirected proxies on remuneration related Resolution - Where I/we have appointed the Chair as my/our proxy (or the Chair becomes my/our proxy by default) and I/we am/are entitled to vote on the relevant Resolutions I/we expressly authorise the Chair to exercise my/our proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP of the Company and even though the Chair is a member of the key management personnel for the Company.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Shareholder(s):

Date: _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____

Contact Ph (daytime): _____

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - (a) **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - (b) **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - (c) **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - (d) **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return:

In person at Level 1, 24 Mumford Street, Balcatta WA 6021

By post to Level 1, 24 Mumford Street, Balcatta WA 6021

By facsimile to +61 8 6241 1811

By scan and email to admin@easterngoldfields.com.au

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.