

42

ENFORCEABLE UNDERTAKING

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

SECTION 93 AA

The commitments in this undertaking are offered to the Australian Securities & Investments Commission ("ASIC") by:

Deszo Istvan Sipos ("Sipos")
596 Priestdale Road
ROCHEDALE QLD 4123

1. BACKGROUND

- 1.1 ASIC has conducted an investigation in relation to suspected contraventions of sections 235, 997 and 998 of the Corporations Law in relation to trading in the securities of Eastern Gold Corporation NL ("**Eastern Gold**") during the period 24 October 1997 to 27 November 1997 ("**the first period**"), and during the period 18 March 1998 to 31 July 1998 ("**the second period**"), conducted by Sipos ("**the Investigation**").
- 1.2 As a result of the Investigation, ASIC has reason to suspect that Sipos may have:
- (a) contravened section 998 of the Corporations Law (false trading and market rigging) by reason of the facts set out in paragraphs 1.6 and 1.7 below; and
 - (b) contravened section 235 of the Corporations Law (director to notify ASX of shareholdings) by reason of the facts set out in paragraph 1.8 below.
- 1.3. ASIC has the power pursuant to section 230(1)(c) of the Corporations Law to apply to the Court for an order prohibiting a person from managing a corporation for a specified period where that person has contravened two or more provisions of the Corporations Law, and at the time of the contraventions, that person was a director of a body corporate.
- 1.4. ASIC has agreed to accept the commitments in this undertaking as an alternative to the exercise of the power referred to in paragraph 1.3 above.
- 1.5 At all relevant times, Sipos was a director of Eastern Gold, a publicly listed mining exploration company. Sipos was also a director of Deracraft Pty Limited ("**Deracraft**"), a private company of which Sipos is also the secretary and controlling shareholder. Deracraft operates as a company in its own right, and as trustee of a superannuation fund of which Sipos is a beneficiary.

- 1.6 According to substantial shareholder notices filed by Sipos, at all relevant times Sipos controlled Good Opportunity Trading Limited ("**Good Opportunity Trading**"), a company operating out of Hong Kong, although its country of registration is the British Virgin Islands.
- 1.7 At all relevant times, Sipos has been a substantial shareholder of Eastern Gold. His interests are held in his own name, and on his own behalf through Deracraft and Good Opportunity Trading.
- 1.8 During the first period, it appears Sipos:
- (a) placed orders either on his own behalf, and/or on behalf of Deracraft, to buy Eastern Gold shares which had the effect of maintaining the price at or around 40 cents, and thereby causing the closing price on a number of days to be at or around 40 cents; and
 - (b) in connection with (a) above, placed orders either on his own behalf, and/or on behalf of Deracraft, simultaneously with different brokers to buy Eastern Gold shares which had the effect of giving an appearance of increased demand in the market for Eastern Gold shares.
- 1.9 During the second period, it appears Sipos:
- (a) placed orders on his own behalf, on behalf of Deracraft, and/or on behalf of Good Opportunity Trading, to buy Eastern Gold shares which had the effect of maintaining the price of Eastern Gold shares on a number of those days at or around 20 cents; and
 - (b) placed orders on behalf of Good Opportunity Trading and Deracraft to buy Eastern Gold shares, and on his own behalf and on behalf of Deracraft to sell Eastern Gold shares, which resulted in on market crossings where there was no change in beneficial ownership.
- 1.10 In the second period, Sipos did not notify the ASX in a timely manner of his relevant interests in Eastern Gold shares, in that he did not notify the ASX of changes in his relevant interests within 14 days.
- 1.11 Sipos, without any admission as to liability, acknowledges the concerns of ASIC referred to above and accordingly offers the undertakings set out in section 2 below, and has resigned from his position as a director of Eastern Gold.

2. UNDERTAKINGS

Pursuant to section 93AA of the Australian Securities and Investments Commission Act ("ASC Law") Sipos undertakes that:

- 2.1 He will not apply to ASIC to be a director or a company secretary of a listed corporation or a public company until the later of 1 January 2001 or he has satisfactorily completed the course referred to in paragraph 2.3 below;
- 2.2 He will not in any way (whether directly or indirectly) be concerned in the management of, and/or take part in the management of, a listed corporation or a public company until the later of 1 January 2001 or he has satisfactorily completed the course referred to in paragraph 2.3 below;
- 2.3 He will satisfactorily complete a corporate management training course which has been pre-approved by ASIC as being a suitable course, and undertake continuing education following successful completion of that course through the Australian Institute of Company Directors. Any such course and continuing education shall include suitable education on prohibited conduct in relation to securities; and
- 2.4 Prior to recommencing the management of a listed corporation or a public company, or making an application to ASIC to be a director or company secretary of a listed corporation or a public company, he will provide certification to ASIC that he has satisfactorily completed the corporate management training course referred to in paragraph 2.3 above, and has attended continuing education through the Australian Institute of Company Directors, including evidence that the course and the continuing education included a suitable education on prohibited conduct in relation to securities.

3. ACKNOWLEDGMENTS

- 3.1 Sipos acknowledges that ASIC:
 - (a) May issue a media release on execution of this undertaking referring to its terms and the concerns of ASIC which led to its execution;
 - (b) May from time to time publicly refer to this undertaking;
 - (c) Will make this undertaking available for public inspection.
- 3.2 Sipos acknowledges that this undertaking in no way derogates from the rights and remedies available to any other person arising from any conduct described in this undertaking;
- 3.3 Sipos acknowledges that this undertaking has no operative force until accepted by ASIC; and

3.4 Sipos acknowledges that ASIC's acceptance of this undertaking does not affect ASIC's power to investigate a contravention arising from past or future conduct, or pursue a criminal prosecution, or its power to lay charges or seek a civil pecuniary order against Sipos.

Signed by Deszo Istvan Sipos
in the presence of:

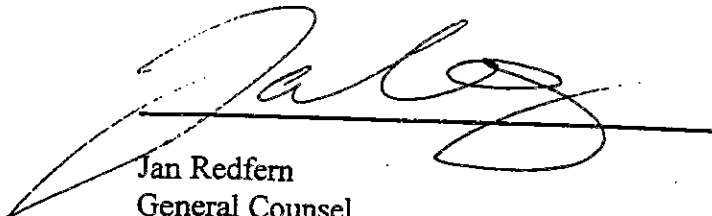
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Signature: 

Name in print: PETER HICKEY

This 27th day of OCTOBER 1999.

**ACCEPTED BY THE AUSTRALIAN SECURITIES AND INVESTMENTS
COMMISSION PURSUANT TO S 93AA OF THE AUSTRALIAN SECURITIES
AND COMMISSION ACT BY ITS DULY AUTHORISED DELEGATE:**


Jan Redfern
General Counsel
NSW Operations

