

OPERATIONAL UPDATE

Eastern Goldfields Limited (ASX: EGS) (**Eastern Goldfields** or the **Company**) provides the following operational update.

The Company refers to the ASX announcement dated 22 August 2018, informing the market that the Company has taken reasonable steps to mitigate spending, while it is engaged in relation to the proposed recapitalisation fundraising, which includes some aspects of the operations being temporarily suspended (processing operations) and having a number of key contractors placed on standby pending the recommencement of processing operations.

The Company now confirms that all mining operations have now been temporarily suspended. As a result of the temporary suspension, approximately twenty operational staff have been made redundant and approximately sixteen corporate and administrative staff. A number of contractors have been stood down.

The Company will continue to produce gold in the short-term by removing all gold-in-circuit.

The Company considers these operational decisions to be prudent in the short-term as the Company continues its efforts to finalise the proposed recapitalisation fundraising.

– ENDS –

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