

DAVYHURST MILL REFURBISHMENT AND COMMISSIONING UPDATE

HIGHLIGHTS

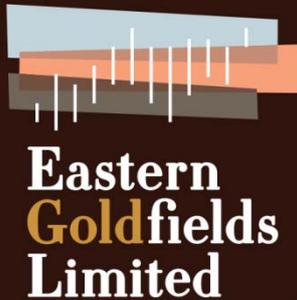
- **Mill refurbishment completed**
- **Final installation of oxygen and cyanide reagent tanks**
- **Crushing circuit feed to commence within two days**
- **Mining contractor and haulage contractor commenced**
- **Approximately 20Kt of low grade commissioning feed on crusher ROM**

Eastern Goldfields Limited (ASX:EGS) is pleased to provide an update on refurbishment and commissioning progress at the Davyhurst mill located approximately 120 kilometres north west of Kalgoorlie, within the Davyhurst Mining Hub.

Refurbishment of the 1.2Mtpa mill is now complete with all circuits having been electrically commissioned or completed. The programme commenced in September 2016 and has focused on:

1. Refurbishment of all concrete and steel structures including feed bin upgrade;
2. Installation of two new cone crushers (secondary and tertiary) and a new triple deck screen in the three stage crushing circuit;
3. Overhaul of all conveyors including new belts, guards, motors/gearboxes and, where required, rollers;
4. Installation of a new gravity circuit including two Nelson Concentrators and an Acacia reactor;
5. Installation of a new control room including new control systems and data fibre throughout the circuit;
6. Refurbishment of the preleach and CIP absorption circuits;
7. Refurbishment of the elution circuit and gold room;
8. Installation of a new tailings thickener; and
9. Installation of new liquid cyanide and oxygen tank facilities.

In addition, a new raw water dam has been constructed with storage capacity equivalent to seven days of raw water supply along with an upstream tailings lift of the existing Tailings Storage Facility (TSF) to provide 12 to 18 months capacity. A 5.5MW containerised diesel power station and 550,000 litre fuel storage facility is currently being installed and commissioned to supplement the existing 1.5MW grid based power supply currently available from the 17MW capacity power line linking the site to the Goldfields Power grid.



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: 546.9m
Options: 60.1m
Current Share Price: \$0.33.2
Market Capitalisation:
\$181.6m
Cash as at 31/03/2017:
\$551,000*

*Excluding total debt facilities of \$35.0m, see ASX announcement 31 Jan 2017. Drawn to date \$15.0m

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Eastern Goldfields Chairman, Michael Fotios, commented:

“With the major overhaul of the Davyhurst mill now complete, moving to the commissioning of the plant represents a significant milestone for Eastern Goldfields in its evolution to an Australian gold production company. We now have a very high quality and modernised plant that will serve the Company well into the future, as we build on the already pleasing exploration results seen on the surrounding tenure.”

REFURBISHMENT STATUS

Crushing Circuit

- All pumps, gearboxes and motors have been repaired or replaced
- Installation of new triple deck screen completed
- Installation of new Secondary and Tertiary Terex cone crushers completed
- Crushing circuit has been overhauled and, ready for feed
 - Tertiary and secondary crushers repaired or replaced
 - All belts, drives and rollers, repaired or replaced

Grinding Circuit and Classification Circuit

- New control room has been installed
- All pumps, gearboxes and motors have been repaired or replaced
- New cyclone cluster has been installed
- Installation of two new Nelson Concentrators completed
- Installation of Acacia reactor completed
- Ball mills refurbishment is complete both mechanically and electrically, ready for wet commissioning
 - All drives, motors and gearboxes have been repaired or replaced
 - Oil cooling and lubricating systems has been repaired or replaced
- Classification and gravity circuit are mechanically and electrically complete

Leach and Adsorption

- Leach tanks ready for water testing
- All pumps, gearboxes and motors have been repaired or replaced
- Gold room is completed, all equipment is installed, wiring and piping complete
- New Outotec thickener, associated pumps and floc system have been installed

Other

- Power station nearing completion and commissioning
- Fuel farm in final construction, awaiting commissioning

Mining and Haulage

- Site establishment works commenced at Siberia on 4 May 2017
- Low grade ore at Siberia currently being stockpiled
- Haulage of ore commenced 30 May 2017
- Approximately 20Kt of ore hauled to Davyhurst ROM pad
- Construction of Siberia bypass haul road nearing completion
- Civil works relating to mining operations at Siberia continuing
- Siberia grade control drilling expected to commence end of June 2017



Refurbished Crushing Circuit with new triple deck screen (foreground) and upgraded feed bin (background).



New 5.5MW containerised diesel power station and 550,000 litre fuel storage facility



Refurbished mill feed conveyor, grinding circuit, new cyclone cluster, new gravity circuit (Nelson Concentrators coloured green) and preleach tanks.



New mill control room, Nelson Concentrator and Acacia reactor installations.

Investor Enquiries

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Forward Looking Statements

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