

Activities Report for Quarter ended 31 March 2017

HIGHLIGHTS

- Company fully funded to achieve gold production in the first quarter of FY2018, with access to Credit Approved Debt Facilities totalling \$25 million secured through Investec and equity capital raising for a minimum of \$25 million underway
- Updated JORC 2012 Resource at Sand King with maiden open pit Reserve of 820,000t @ 2.5/t Au for 65,000K ounces
- Combined Missouri and Sand King Reserve now totals 2,025,000 tonnes at 2.3g/t Au for 150,000 ounces
- Combined Missouri and Sand King Mineral Resource of 4,884,000 @ 3.2g/t Au for 498,000 ounces
- Substantial progress on refurbishment of the Davyhurst processing facility (now 95% complete), with final commissioning during the current quarter
- Callion drilling continues to define significant mineralisation in the open pit and underground target areas
- Initial drilling at Waihi intercepts significant mineralisation
- Completed 271 holes for 5,216m of drilling. Significant drilling intercepts include:

Riverina	Callion
12.0m @ 4.94 g/t Au	7.0m @ 11.37 g/t Au
5.0m @ 11.56 g/t Au	5.0m @ 6.68 g/t Au
4.0m @ 10.78 g/t Au	2.0m @ 17.25 g/t Au
6.0m @ 3.93 g/t Au	3.9m @ 16.04 g/t Au
7.0m @ 2.21 g/t Au	8.9m @ 2.93 g/t Au
4.0m @ 3.96 g/t Au	7.0m @ 10.68g/t Au
3.0m @ 5.26 g/t Au	
5.0m @ 2.20 g/t Au	
6.0m @ 2.49 g/t Au	
2.0m @ 7.18 g/t Au	
3.0m @ 4.25 g/t Au	
2.0m @ 5.88 g/t Au	
10.0m @ 1.65 g/t Au	
6.0m @ 1.36 g/t Au	
3.0m @ 2.51 g/t Au	
2m @ 9.78g/t 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: 528.9m
Options: 60.8m
Current Share Price: \$0.30
Market Capitalisation: \$158m
Cash as at 31/3/2017: \$0.55m
Tradeable securities
as at 28/4/2017: \$2.3m

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OVERVIEW

Davyhurst Project

The Davyhurst Project includes both open cut and underground mining targets and is located 120 kilometres north-west of Kalgoorlie.

Refurbishment of the Company's 1.2Mtpa gold processing plant is 95% complete with final commissioning of the crushing circuit expected early in the next quarter. The refurbishment work will reinstate the nameplate capacity of the plant, while improving efficiencies specifically related to the crushing circuit, gravity gold circuit, elution circuit and through the installation of a new tailings thickener. Open pit mining operations are on schedule to commence at Siberia, followed by underground operations within the Davyhurst area during the June 2017 quarter.

Project development at the Siberia Deposit nears completion, with focus shifting to the Riverina and Callion Deposits. The Company continues to enhance and construct a robust mining model based on informed and detailed geological modelling of the proposed mines.

During the quarter ended 31 March 2017, a total of 11 diamond holes (1,454m) and 23 reverse circulation (RC) holes (1,635m) were completed at the Riverina Deposit with a further 239 RC holes (2,139m) drilled on multiple existing stockpiles across the Davyhurst Project.

Processing Plant Refurbishment and Site Engineering Works

At the end of the quarter, the plant refurbishment project was 95% complete, with system commissioning underway. The crushing, grinding, absorption and new thickener circuits have been commissioned and power tested. All remaining areas are in final construction phase and will be completed at the beginning of May 2017.

Approximately 90% of all foundation and concrete repair works were completed throughout the plant with only minor works, primarily bunding, that remains.

Earth works for the new power station were completed during the quarter with installation of generators now scheduled for early May 2017. Site preparations were completed in preparation for the new Bulk Fuel Storage facility, comprising five 110,000 litre tanks.

The plant refurbishment project is still on schedule to achieve first production during the June quarter.



Figures 1-4: Left; Milling circuit Top right; Crushing circuit, Bottom Left; Milling and leaching circuit Bottom Right; Thickener circuit

Mining Approvals & Environment

DMP – Environment approval for the Siberia Open Pit Mining Proposal and Mine Closure Plan was submitted in the previous quarter and was granted on 11 January 2017 (REG ID 58635).

DMP Resource Safety Approval for the Project Management Plans submitted in relation to the Siberia open pit operations and Davyhurst Processing operations were approved during the quarter.

PROJECT DEVELOPMENT UPDATE

Exploration and Mineral Resource definition activities advanced during the quarter with **271** holes for a total of **5216** metres drilled across the Davyhurst Project. Resource definition activities were focused at the Riverina Project and low grade stockpiles. Drilling is scheduled to continue over multiple targets for the upcoming quarter with Riverina and Callion expected to receive the majority of the Resource definition attention.

Table 1: March 2017 Quarter Drilling Statistics

Prospect	No of Holes	Total Metres
Riverina Deposit RC	23	1635
Riverina Deposit DD	11	1454
Callion Stockpile	35	210
Charlie Stockpiles	32	320
Mulline Rose Stockpiles	26	408
Mulline Stockpiles	92	772
Mulwarrie Stockpile	24	225
Riverina Stockpiles	30	204
Grand Total	271	5216

Siberia Project Area

Mineral Resource – Sand King

The Siberia mining centre is 37 kilometres south east of Davyhurst and contains two main deposits, Sand King and Missouri, both of which are at a mine-ready state as recently announced (3 January 2017 and 15 December 2016 respectively).

With the completion of drilling during the December quarter, a JORC 2012 Mineral Resource update of the Sand King Deposit of **2.45 Mt @ 3.44g/t Au for 271,000 ounces** (1g/t cut-off) was announced on 3 January 2017. This, together with the recently published Missouri Resource update (refer ASX Announcement dated 15 December 2016), delivers a combined Mineral Resource for the Sand King and Missouri deposits of 4.88 Mt @ 3.2g/t Au for 498,000 ounces (1g/t cut-off).

The Sand King Resource estimation was the result of a thorough data validation and reinterpretation process, which along with additional metres of confirmatory drilling, allowed for a JORC code 2012 upgrade for the deposit. The combined indicated and inferred Mineral Resource of **2.45 Mt @ 3.44g/t Au for 271,000 ounces** represents an increase of 91% in contained ounces over the previous published mineral resource (refer ASX Announcement dated 3 January 2017).

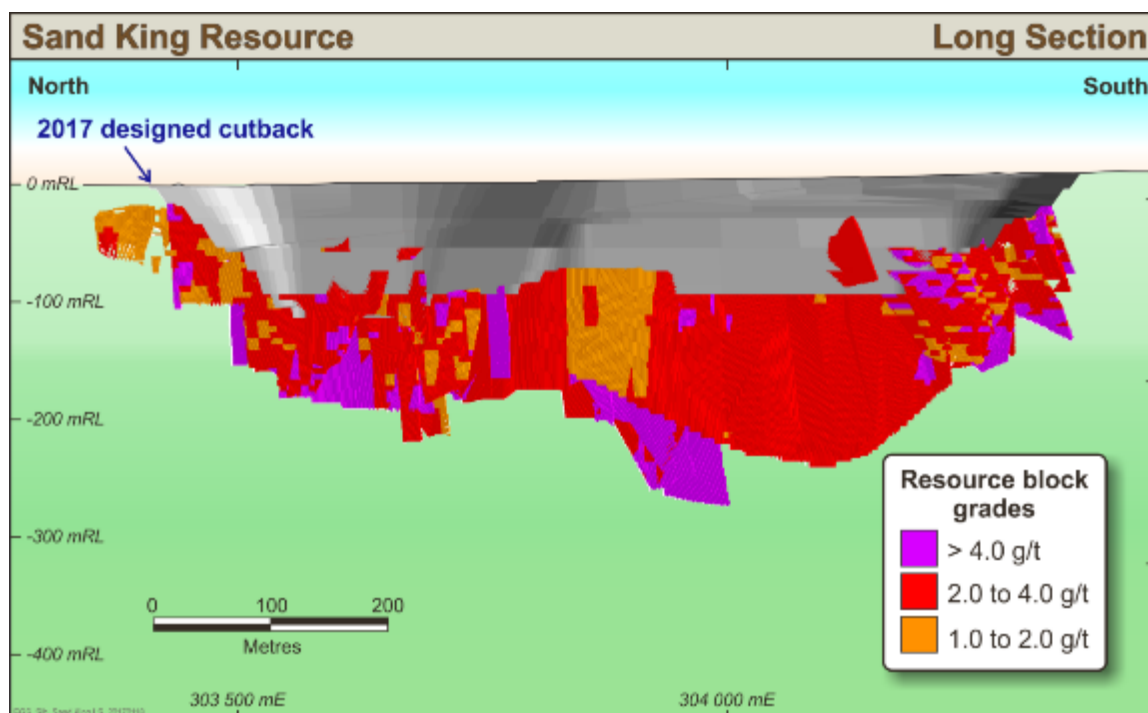


Figure 5: Sand King Mineral Resource Long Section

Ore Reserve – Missouri and Sand King

Entech Pty Ltd, an independent international mining consultant specialising in mining engineering, conducted a mining study at the Missouri and Sand King Deposits that successfully defined an Ore Reserve, released to the ASX on 15 December 2016 and 14 February 2017 respectively.

Combined Ore Reserve (released to ASX on 14 February 2017), the total Siberia Project Reserve is as follows:

Table 2: Missouri and Sand King Reserve Statement

Reserve	Proven		Probable		Total		
	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
Sand King - Feb 2017	-	-	820	2.5	820	2.5	65
Missouri - Dec 2016	-	-	1205	2.2	1,205	2.2	85
Combined Total	-	-	2,025	2.3	2,025	2.3	150

The Indicated Resource has been converted to a Probable Ore Reserve, subject to an engineered mine design and economic evaluation process. Any Inferred material contained within the mine plan has been treated as waste. The Ore Reserve estimate is based on financials and modifying factors determined as part of a recent mining study undertaken on the operation.

The key characteristics for the Missouri and Sand King open pits are provided below:

Table 3: Key Characteristics Missouri Open Pit

Key Characteristics		Units
Waste Mined	3.9	M Bcm
Ore Tonnes Processed	1.2	M Tonnes
Stripping Ratio	9.2	W:O
Mine Life	22.0	Months
Average Head Grade	2.2	(g/t)
Total Metal Production	85.4	Oz ('000)
Metallurgical Recovery	92.0	%
Total recovered ounces	78.6	Oz ('000)
C1 Cash Costs / Rec. oz	1,087	\$

Table 4: Key Characteristics Sand King Open Pit

Key Characteristics		Units
Waste Tonnes Moved	3.8	M bcm
Ore Tonnes Processed	820	K tonnes
Stripping Ratio	12:1	W:O
Mine Life	23.0	Months
Average Head Grade	2.5	(g/t)
Total Metal Production	65.0	Oz ('000)
Metallurgical Recovery	92.0	%
Total recovered ounces	60.5	Oz ('000)
C1 Cash Costs / oz*	1,089	A\$

Mine evaluation work investigating the underground mining potential of these two deposits continues. Importantly, all the necessary statutory approvals are now in place to commence mining at Siberia.

Approximately 10,000 ounces of inferred resource has been captured within the designed pit and which has been omitted from the Ore Reserve estimation. The Company intends to further evaluate this material in the operational phase by extending the planned grade control programs to ensure sufficient coverage is achieved over these inferred areas.

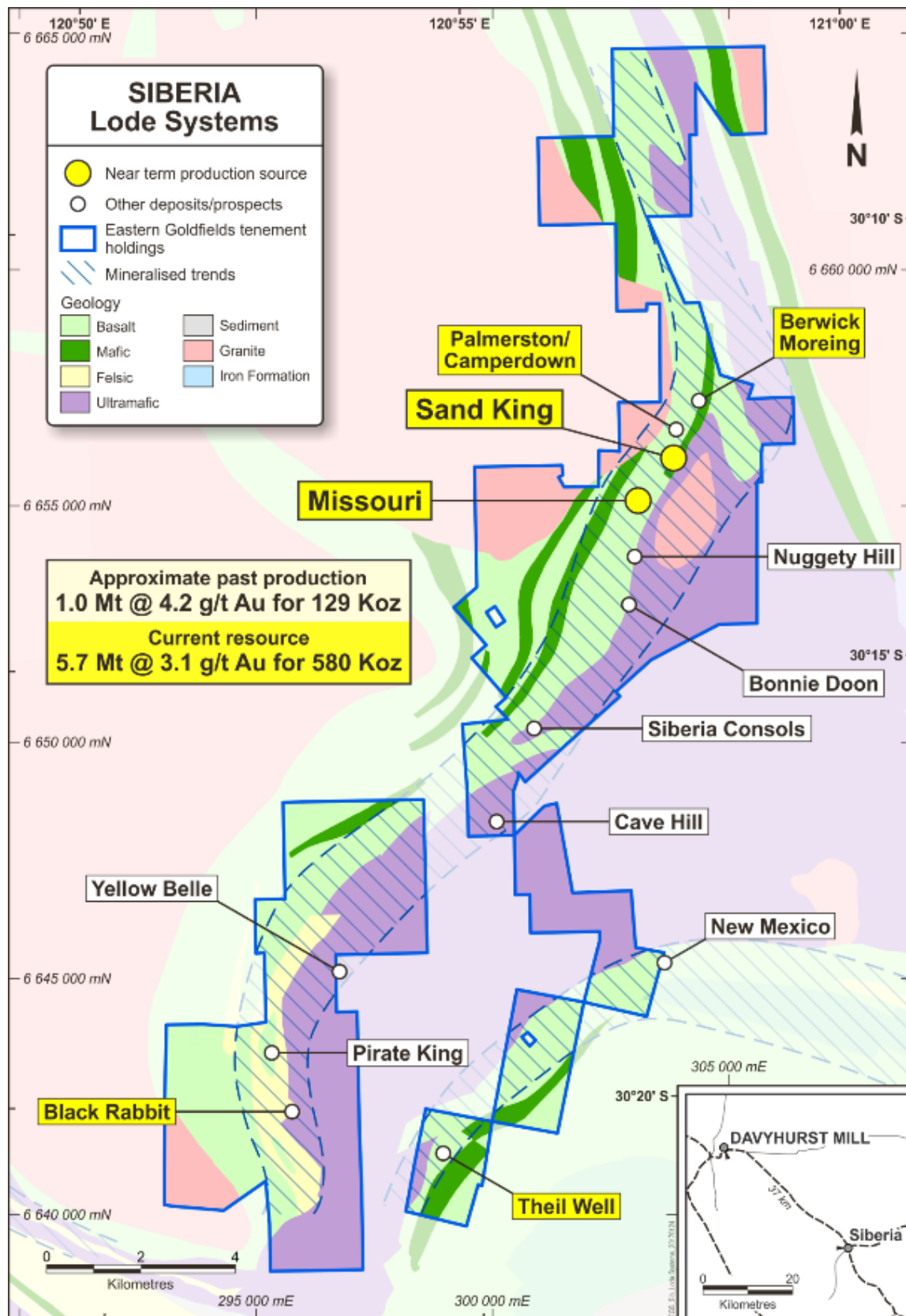


Figure 6: Siberia Project Location Plan

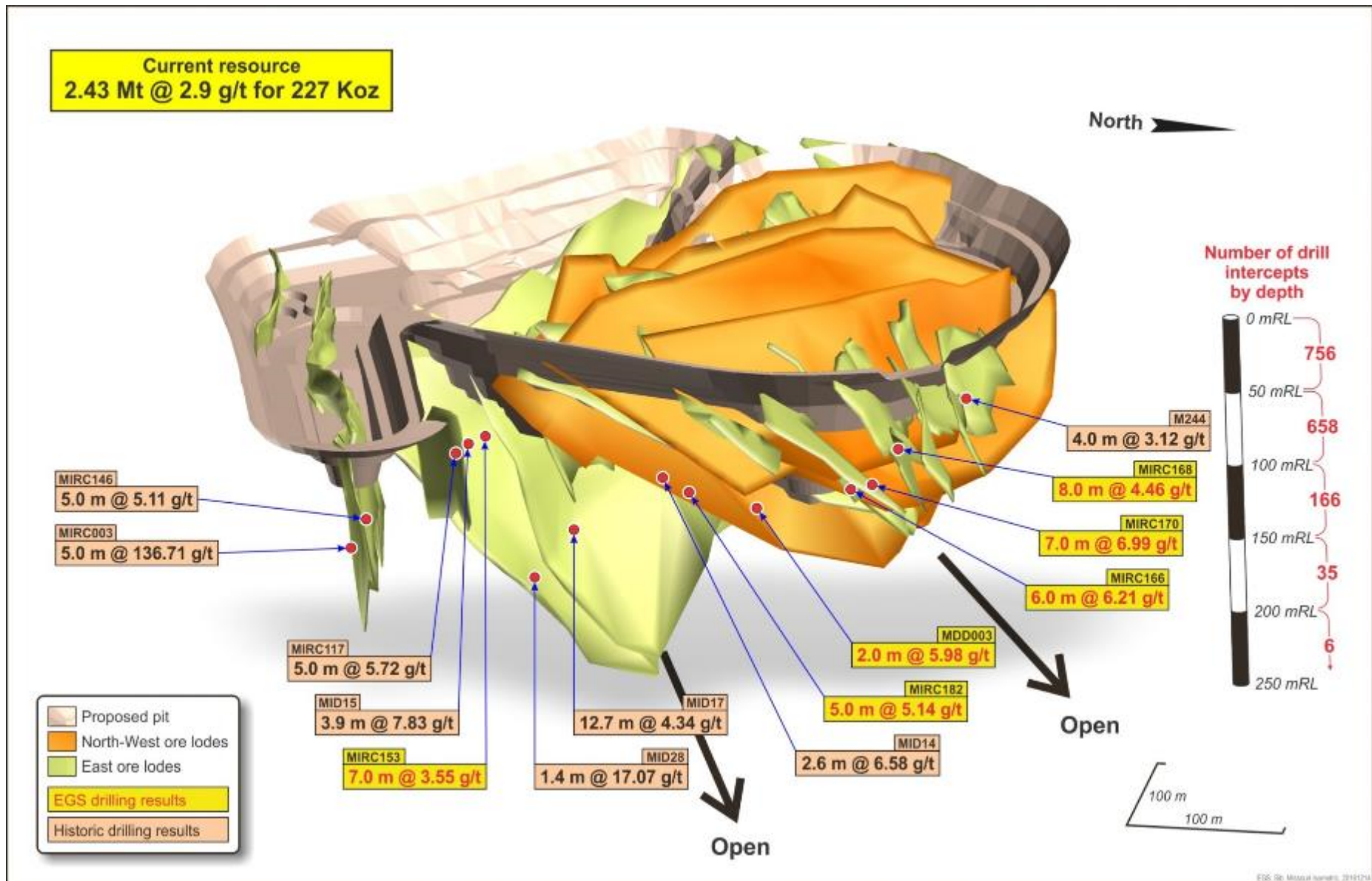


Figure 7: Isometric view (looking south west) of Missouri showing modelled mineralisation, drill intercepts and proposed pit cutbacks.
This image has been previously released in ASX announcement dated 2 November 2016.

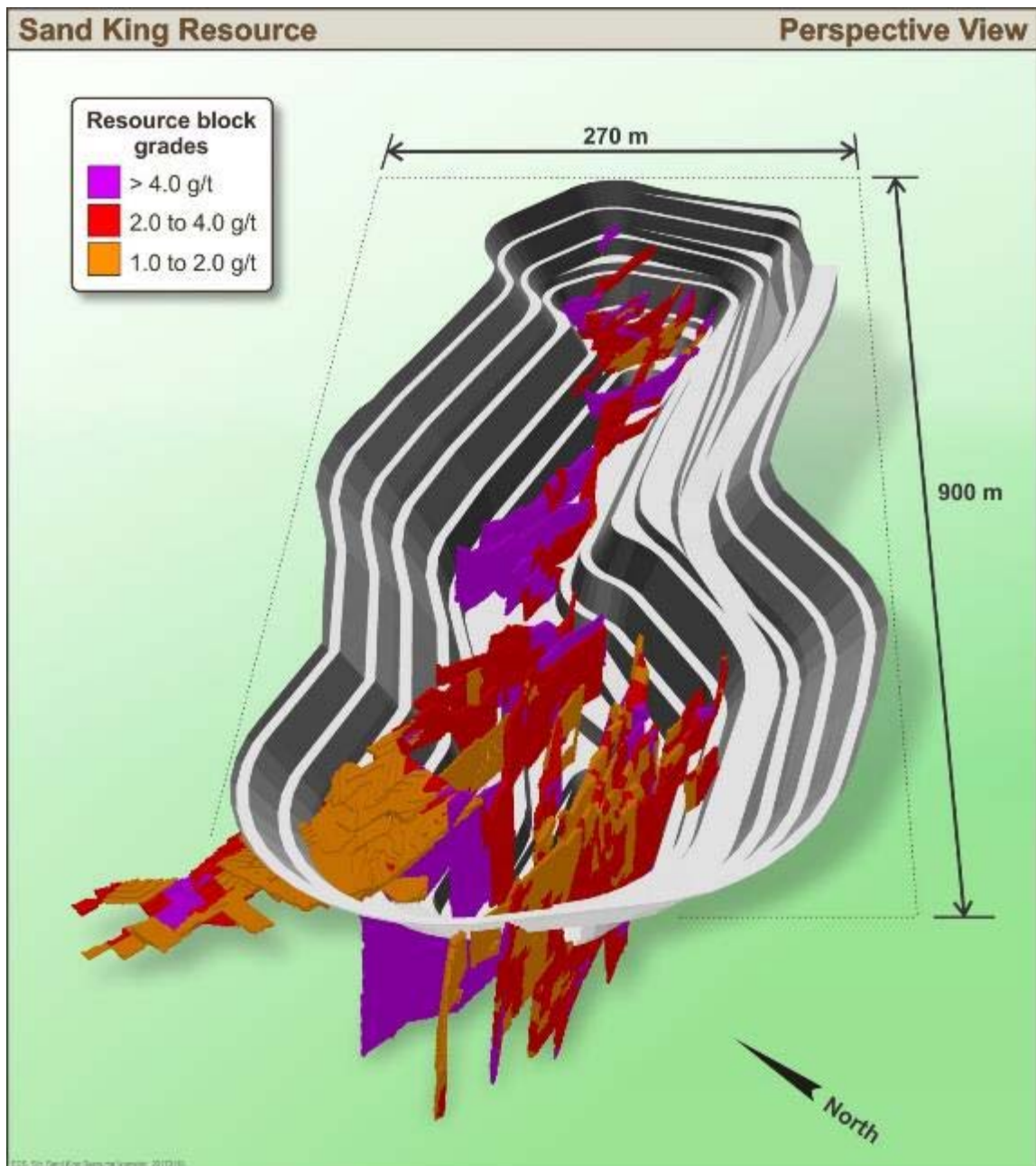


Figure 8: Sand King 2017 Resource. This image has been previously released in ASX announcement dated 3 January 2017.

Riverina Project Area

Riverina Deposit

A total of 32 holes for 3,077 drill metres were completed at Riverina during the reporting period. Drilling is ongoing at Riverina with the aim of providing an updated JORC Code 2012 compliant Resource and Reserve.

Riverina is located approximately 48km north of the Davyhurst Mill, and has a current Mineral Resource of 2.58Mt @ 2.50g/t Au for 207,000 ounces. It is one of several high priority drilling targets within the Company's Davyhurst Project.

Riverina is at an advanced stage, with considerable oxide tonnes already defined. The current drilling program is being undertaken to infill the known mineralisation and upgrade the existing Mineral Resource for compliance with the JORC Code 2012. Planned drilling has also been designed to extend the existing Mineral Resource into areas that are currently constrained by a lack of drilling data.

Riverina has a long history of underground mining (100Kt @ 15.8g/t Au), in addition to a more recent shallow open pit mining event (22Kt @ 1.78g/t Au) that focused on the eastern footwall lodes. The current drilling program is aimed at infill drilling of the eastern lodes, while also assessing the underground potential of the main lodes.

Results received to date, as announced on the 12 and 25 January 2017, are from the southern section of the deposit (Figures 9 & 10) and to date, correlate well with the existing Mineral Resource. Of note, the **12.0m @ 4.94 g/t Au** in RVRC16095, **7.0m @ 2.21 g/t Au** in RVRC16086 and **6.0m @ 3.93 g/t Au** in RVRC16069 represent extensions to the existing defined Mineral Resource (Refer ASX Announcements dated 12 and 25 January 2017).

Results received this quarter include:

- 12.0m @ 4.94 g/t Au (including 4.0m @ 10.92g/t Au)
- 5.0m @ 11.56 g/t Au (including 2.0m @ 24.49g/t Au)
- 4.0m @ 10.78 g/t Au (including 1.0m @ 20.58g/t Au)
- 6.0m @ 3.93 g/t Au
- 7.0m @ 2.21 g/t Au
- 4.0m @ 3.96 g/t Au
- 3.0m @ 5.26 g/t Au
- 5.0m @ 2.20 g/t Au
- 6.0m @ 2.49 g/t Au
- 2.0m @ 7.18 g/t Au
- 3.0m @ 4.25 g/t Au
- 2.0m @ 5.88 g/t Au (including 1.0m @ 10.61g/t Au)
- 10.0m @ 1.65 g/t Au
- 6.0m @ 1.36 g/t Au
- 5.0m @ 1.58 g/t Au
- 3.0m @ 2.51 g/t Au

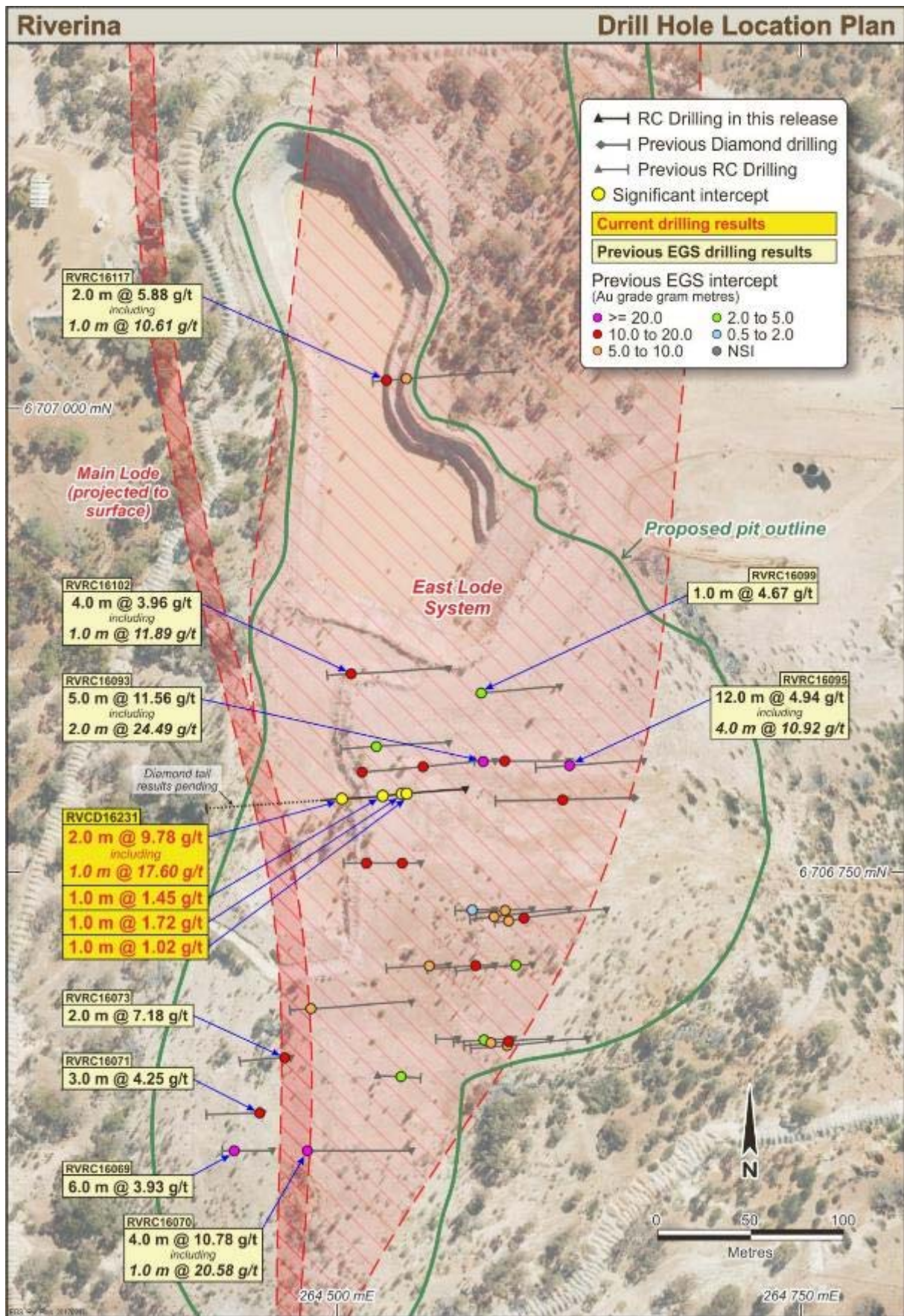


Figure 9: Riverina Drill Plan with recent drill intercepts. Note: Refer ASX Announcements dated 12 and 25 January 2017 for previously released drill holes.

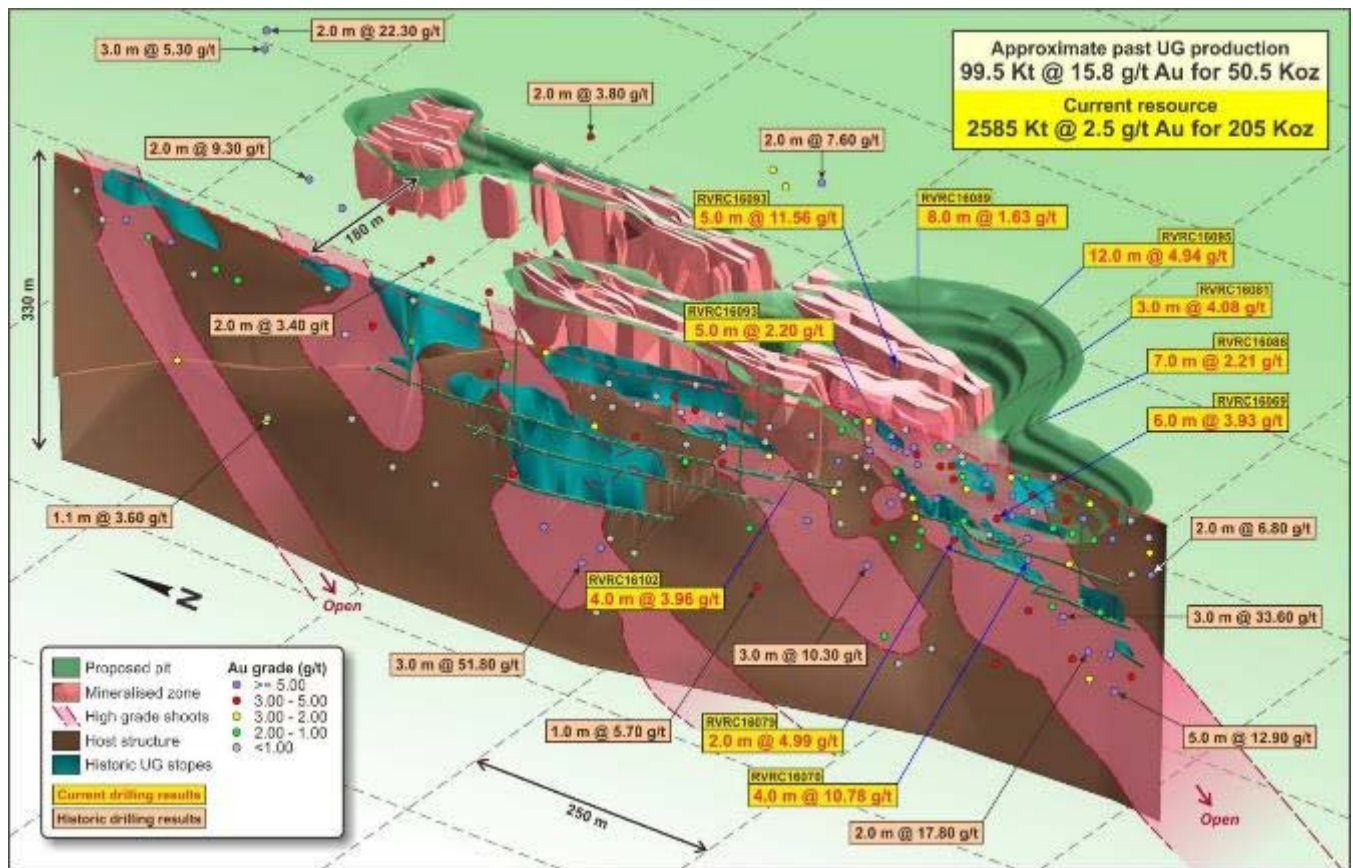
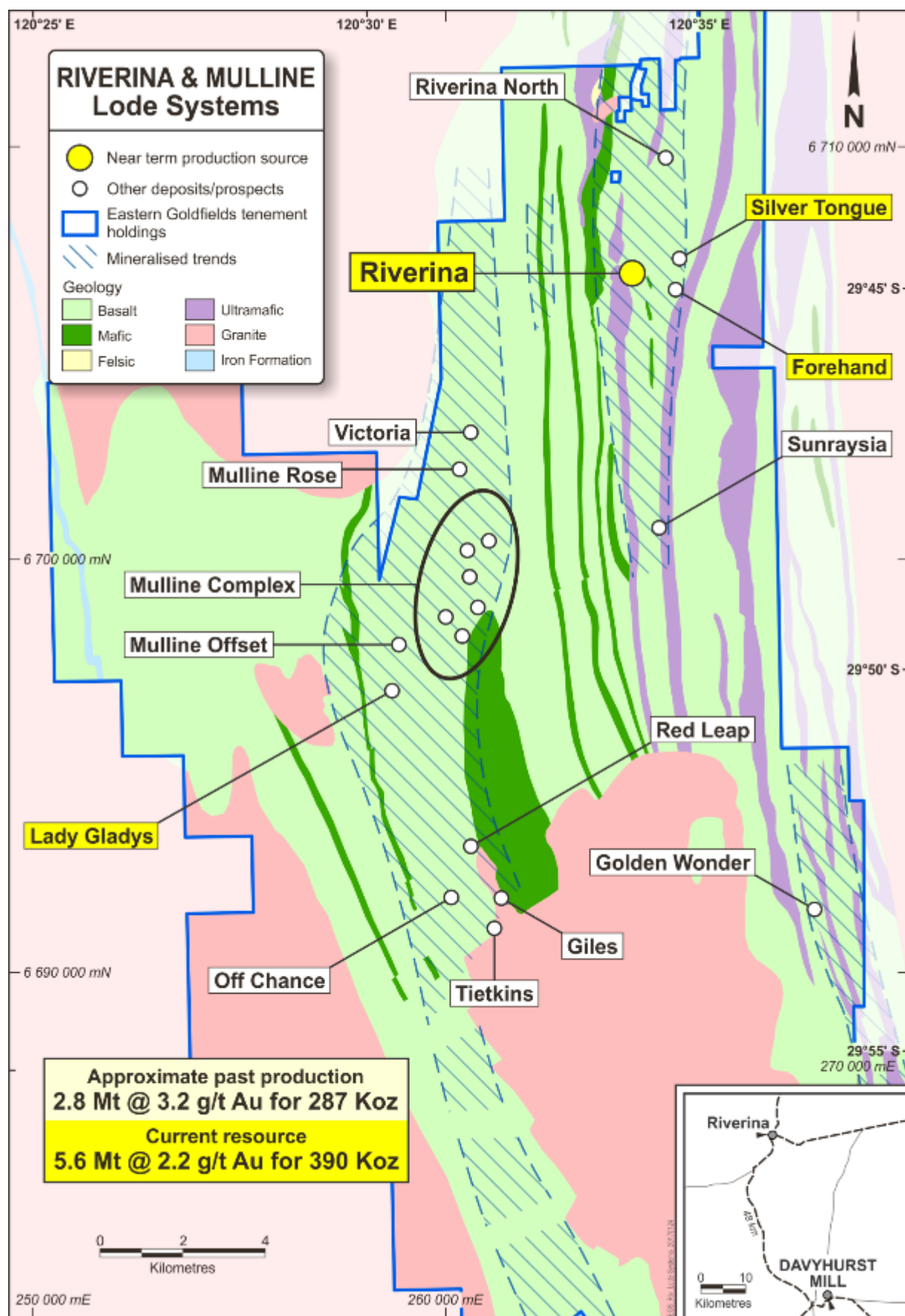


Figure 10: Riverina Isometric with Recent Results. Note: Refer ASX Announcements dated 12 and 25 January 2017 for previously released drill holes.



Callion Project Area

Callion Deposit

The Callion Deposit is 12 kilometres south west of the Davyhurst processing plant. Preliminary underground mine evaluation works, based on the historical record, has resulted in a focused exploration effort. Early success demonstrated by this initial program has resulted in the continued advancement of this project. The project scope has been expanded to evaluate the near surface open pit cut back potential of the deposit which would run as a precursor to underground operations.

Drilling success at Callion has continued, with strong gold mineralisation intersected in the underground target horizon. The following significant results were received during the quarter and released to ASX on 10 January 2017:

Open pit exploration target results:

- **7.0m @ 11.37 g/t Au; including**
 - **1.0m @ 45.18 g/t Au**
- **5.0m @ 6.68 g/t Au; including**
 - **1.0m @ 21.20 Au**
- **2.0m @ 17.25 g/t Au**
- **7.0m @ 10.68g/t Au**

Underground exploration target results:

- **3.9m @ 16.04 g/t Au; including:**
 - **0.3m @ 143.55 g/t Au; and**
 - **0.6m @ 26.34 g/t Au**
- **8.9m @ 2.93 g/t Au**

Assay results are pending for the remainder of the drill holes.

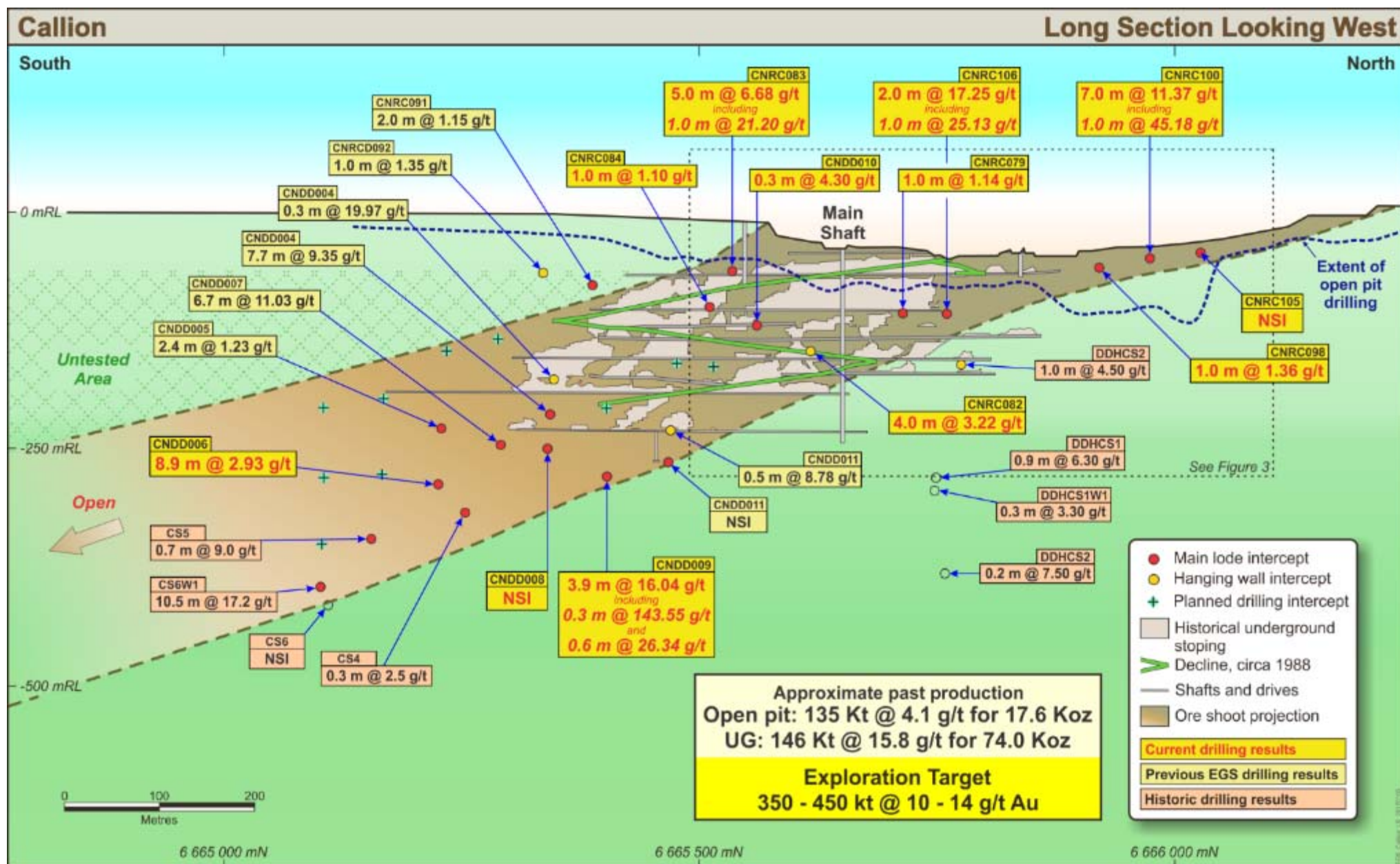


Figure 12: Callion Long Section, looking west, showing underground infrastructure, south plunging exploration target and recent drill intercepts. This image has been previously released in ASX announcement dated 10 January 2017.

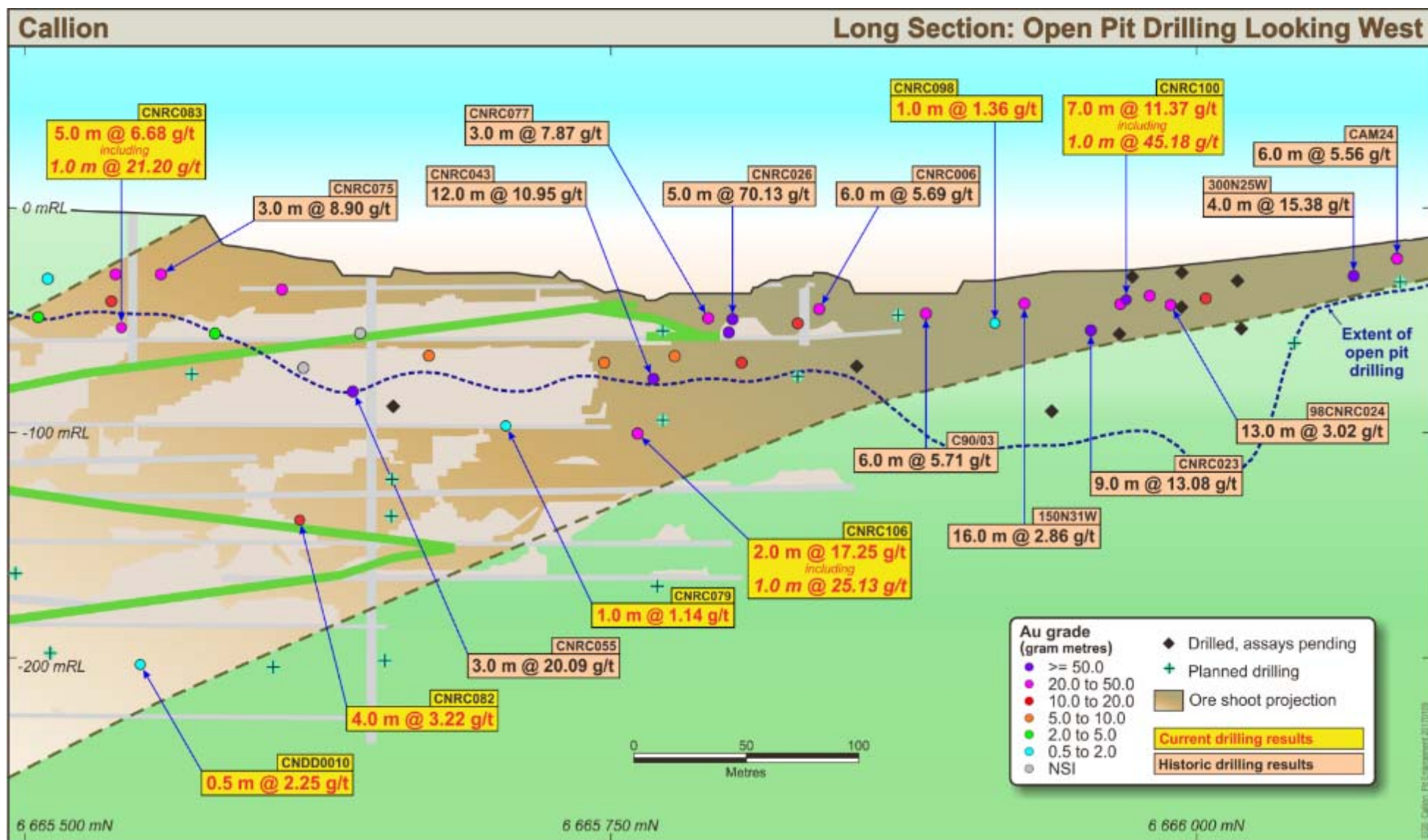


Figure 13: Callion Long Section Enlargement, looking west, showing underground infrastructure, south plunging exploration target and recent drill intercepts. This image has been previously released in ASX announcement dated 10 January 2017.

Callion Exploration Target – Additional Information

Basis for the Callion Exploration Target:

The Exploration Targets were calculated using historic data that was collated by Eastern Goldfields Limited. The data consisted principally of channel sample assays and ore thicknesses and RC and diamond drill intersections. Lubbock compiled these data into mine blocks with associated grades and tonnages. Historical survey, geology and assay records were used to create a 3-dimensional model of the underground workings. The channel samples were collected across the width of the drive and/or stope face, generally perpendicular to the strike of the structure that controls mineralisation. Sample and assay methods of underground channel samples is unknown. RC drill sample were collected at 1m intervals and diamond core was cut to geological intervals. Assay methods of drillhole samples was by aqua regia or fire assay using accredited laboratories. In total, there are 1608 stope samples, 947 face samples and 13 drillhole samples used within the area of calculated Exploration Target.

Techniques for Calculating the Grade and Tonnage Ranges for the Callion Exploration Target:

Hard copy survey and geology plans and long sections were digitised and registered in 3-dimensional space. A 3-dimensional model of the ore zones was constructed from the registered plans and drillhole data. Gold assay grades and widths were digitised from the plans. Due to the narrow and variable width of the orebody the estimation was based on an accumulation method. The accumulation variable ($\text{Gram Metres} = \text{Width} \times \text{Au Grade}$) and the Width were estimated (Ordinary Kriging) into a block model. The grade was back-calculated by dividing the estimated Gram Metres by the estimated Width. A specific gravity of 2.7 t/m^3 for fresh rock was applied based on 22 core samples.

Planned Exploration work:

In the short term, Eastern Goldfields Limited has initiated a detailed drilling program to evaluate the geology, grade and width of the Callion exploration target. Drilling will target remnant pillars and areas below current mining depths. Samples will be submitted to accredited laboratories for gold assay with a full suite of QAQC samples (blanks, standards and field duplicates). If this drill program is deemed successful a geological and resource model will be produced. The resource model will be classified as inferred/indicated as deemed appropriate.

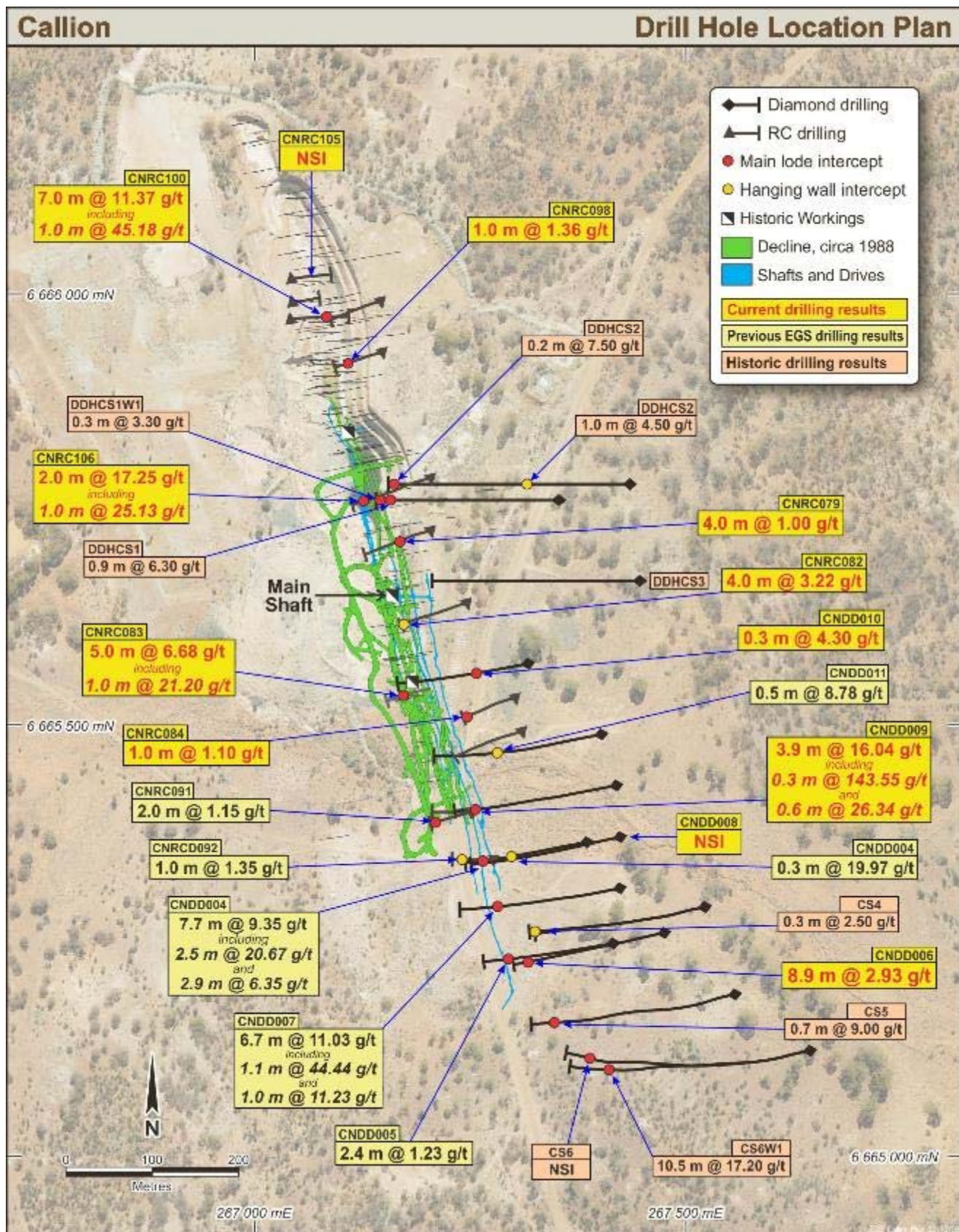


Figure 14: Callion plan view showing drill hole locations and open pit. This image has been previously released in ASX announcement dated 10 January 2017.

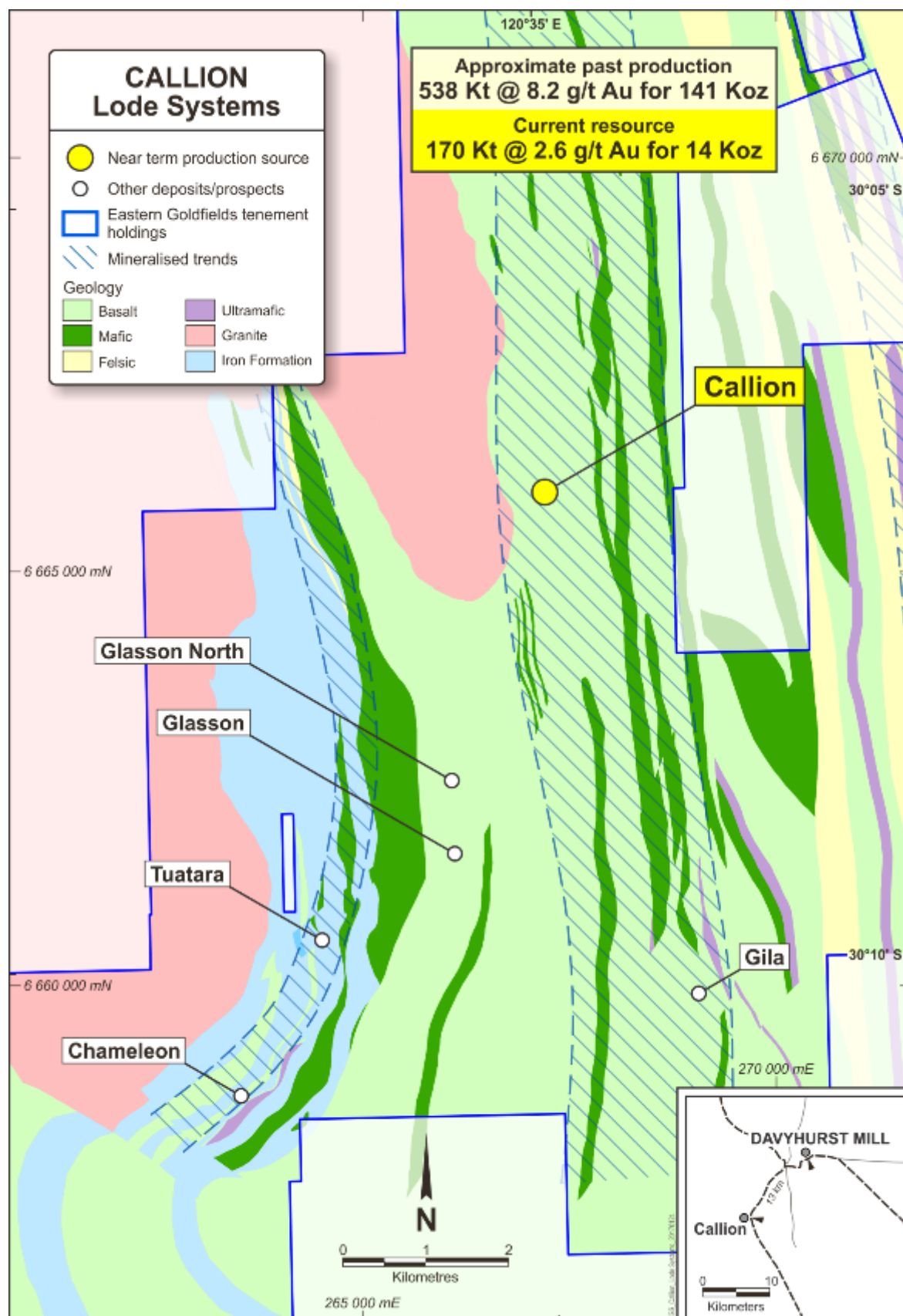


Figure 15: Callion Project Location Plan

Davyhurst Project Area

Lights of Israel Mining Centre

Results were received from five holes drilled at the Lights of Israel (LOI) deposit during the previous quarter.

The LOI Complex is located within one kilometre of the Davyhurst processing plant. The deposit was first mined in 1906, then in the 1980s and again in the early 2000s. The LOI Complex contains three ore lodes, namely the LOI, Makai and Great Ophir shoots with previous mining extracting a total of 4,000,000 tonnes at 3.1g/t Au for approximately 400,000 ounces of gold. The current mineral resource stands at 2,300,000 tonnes at 2.2g/t Au for 171,000 ounces of gold, equating to a **deposit endowment of 571,000 ounces of gold**.

These results, as released on 9 February 2017, are from an ongoing diamond drilling program aimed at assessing the potential of the biotite schist host unit down plunge from the Great Ophir deposit. The targeted biotite schist hosts all of the LOI Complex gold mineralisation which includes the Great Ophir, LOI and Makai shoots. All holes intersected gold mineralisation in the host biotite schist unit, with structural measurements from orientated diamond core confirming the western edge is folded up into a sub-vertical position. Support for the folded western limb is important as it validates a key assumption in the current exploration model.

Significant new drilling results:

- LOID005 with **3.0m @ 3.62g/t Au**
- LOID007 with **9.3m @ 2.87g/t Au**; inc. **4.1m @ 4.53g/t Au**
- LOID010 with **3.3m @ 2.56g/t Au** & **5.0m @ 2.13g/t Au**

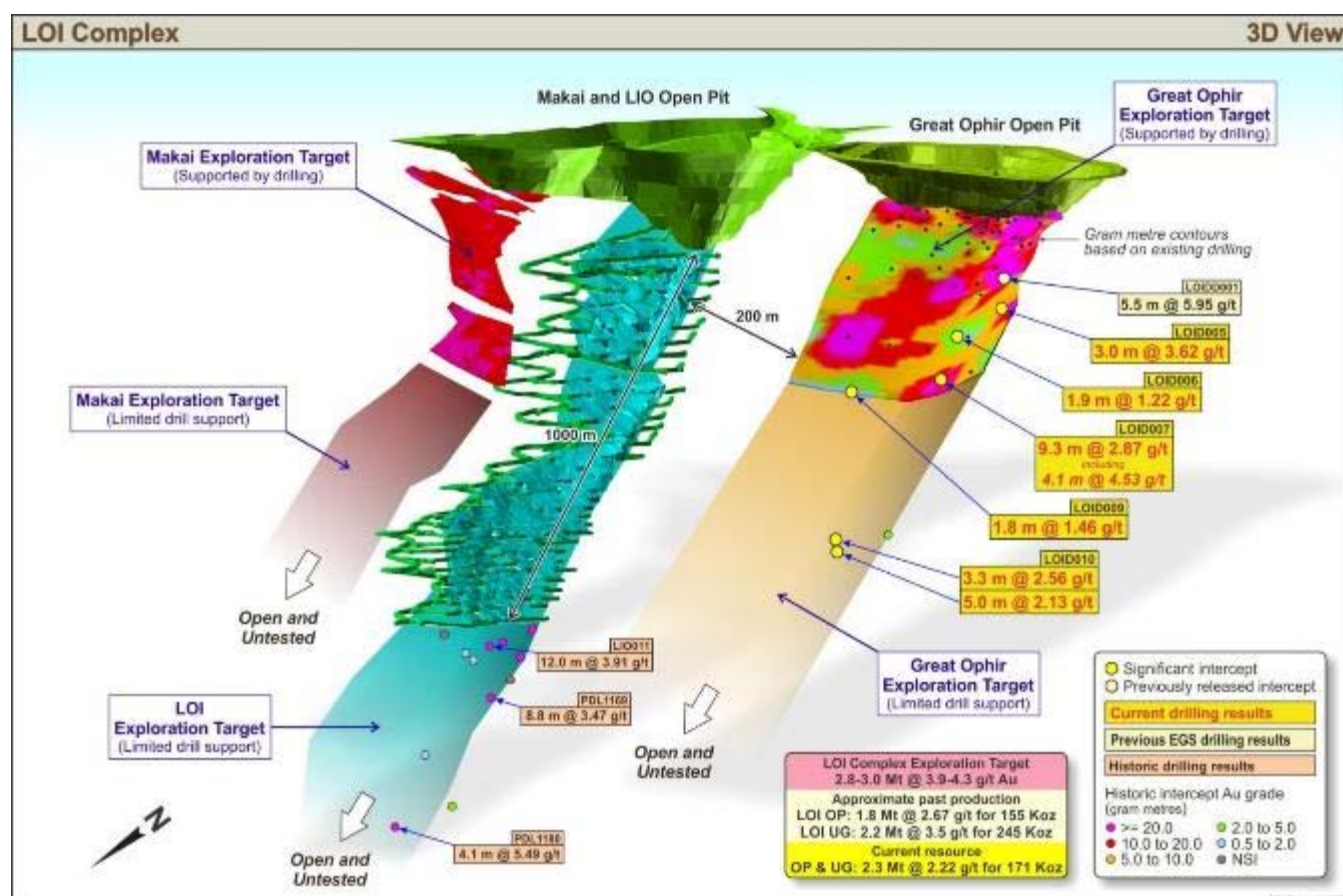


Figure 16: LOI Mine Complex -3D View (with Drilling)

Note: The potential quantity and grade of the Exploration Targets are conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. This image has been previously released in ASX announcement dated 9 February 2017.

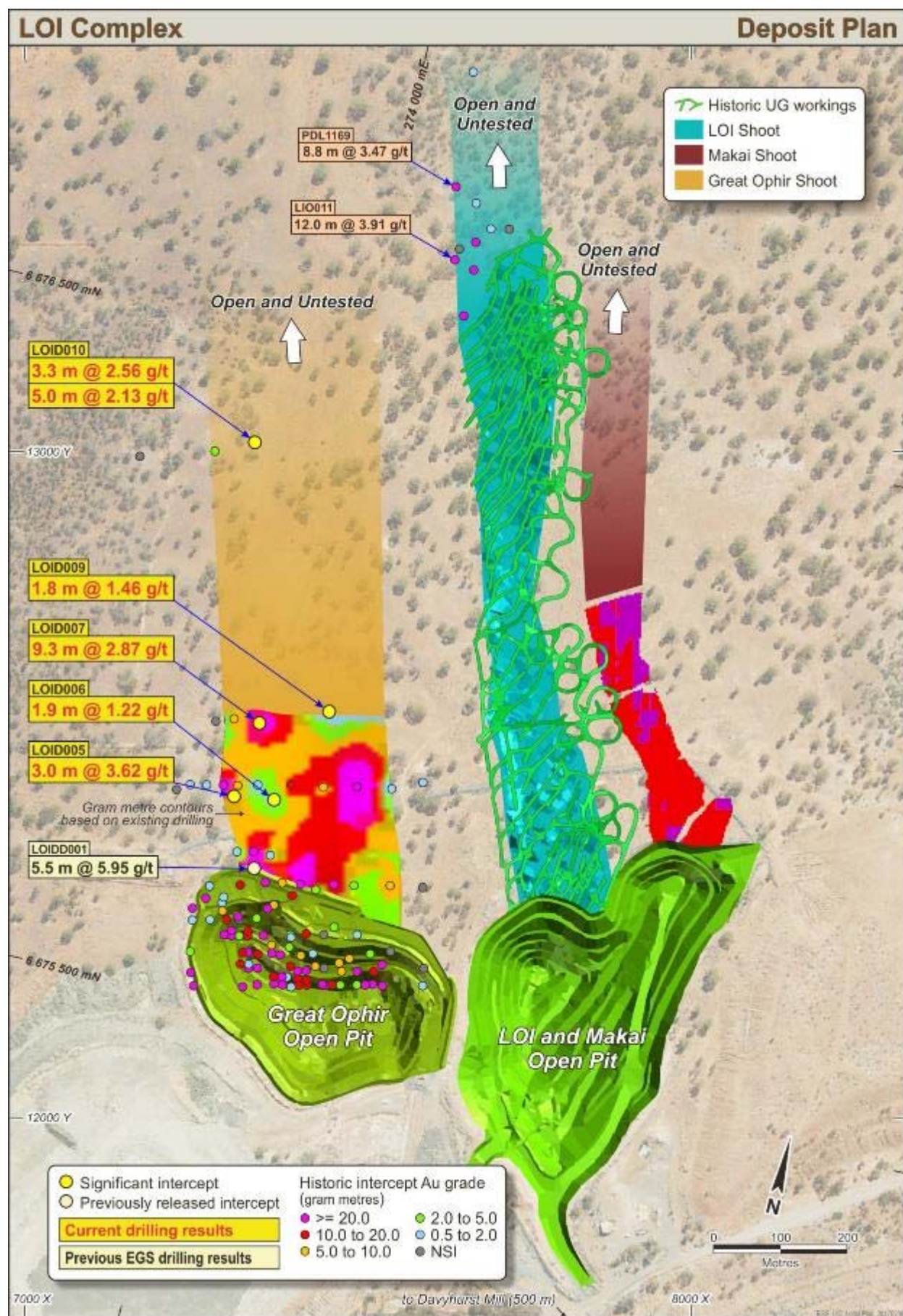


Figure 17: LOI Complex Plan, as released on 9 February 2017

LOI Mining Centre Exploration Targets – Additional Information

The Exploration Targets are based upon a comprehensive geological and mineralisation review conducted by Eastern Goldfields Limited. This modelling utilised a combination of exploration drilling data, underground sampling along with detailed geologic observations. A high proportion of the LOI deposit was drilled with diamond core and as such there has been significant data available to compile geologic models and justify the projection of mineralisation down plunge.

Historical survey, geology and assay records were reviewed and validated and utilised to create a 3-dimensional geological and mineralisation model. RC drill diameter was 5½ inches and diamond core size was NQ. RC drill samples were collected at 1 metre intervals and diamond core was cut to geological intervals. Assay methods of drillhole samples was by aqua regia or fire assay using accredited laboratories.

The grades of these exploration targets has been assigned by detailed assessment of previous production from the Lights Of Israel and Great Ophir Deposits along with detailed statistical modelling (ID2 and Ordinary Kriging) of sample grades from within the mineralised systems. In areas where there is little or no existing data the grade has been derived from the geological investigations into continuity of existing mineralisation and geology (projecting down plunge) and are conceptual in nature with confirmatory RC and DD drilling required to validate these targets has begun in 2016 and is expected to continue into 2017. Samples will be submitted to accredited laboratories for gold assay (fire assay) with a full suite of QAQC samples (blanks, standards and field duplicates).

Waihi Deposit

The Waihi Complex consists of the historical Waihi and Golden Pole Deposits. Both deposits were initially mined in the early-mid 1900's as high grade underground mines to a maximum depth of 180 metres, targeting steeply dipping, north plunging shoots, producing approximately **95,500 ounces at an average grade of 27g/t Au**. In the late 1990's approximately 740,000 tonnes @ 2.40g/t Au was extracted via open pit methods at the Waihi Deposit, to a maximum depth of 90 metres, for an additional 56,000 ounces.

The Company has recovered all of the available historical mining records for the Golden Pole underground mine. The survey plans and stoping records have been utilised in the reconstruction of the historical mine in three dimensional space. This model has been integral in providing direction to the current exploration effort.

The Company has recently completed the first 2 diamond holes of a larger drilling program at the Waihi Complex. It is important to note that these holes were targeting a specific structural corridor, namely the location where it is interpreted that the north trending and northwest trending structure intersects. The holes were successful in providing much needed lithological and structural data directly under the existing Waihi North and Homeward bound open pits at a point of structural significance (Figures 17 to 24).

Significant results, as announced on 22 February 2017 include:

- WHDD001 with 1.9m @ 10.31g/t Au, including 0.4m @ 34.97 g/t Au
- WHDD001 with 1.0m @ 5.22g/t Au
- WHDD001 with 2.6m @ 3.45 g/t Au, including 0.7m @ 11.24g/t

Preliminary assessment of the diamond core indicated that the dominant steeply dipping north trending shear system is present in both diamond holes, likely suggesting overprinting of the earlier northwest trending fault/shear that is believed to control the development of high grade, north plunging shoots. Additional drilling is scheduled to continue to build a coherent geological model for this area.

Drilling intercepted broad zones of alteration throughout both holes with increased sulphide and quartz veining appearing to be associated with the increase in gold mineralisation. Significant structural data was collected and is currently being incorporated into the existing revised geological model with further drilling scheduled for 2017.

As part of ongoing technical reviews across the Davyhurst Project the Waihi Complex has been identified as a containing significant potential to provide a high grade underground feed to complement the open pit material from Siberia.

A significant number of historical drillholes have been drilled at Waihi, mostly to a depth of less than 180 vertical metres below surface. The deepest of these intersected the lode surface at approximately 250 metres below the surface. A large number of these have returned noteworthy results, with the following listing those that have returned greater than 50 gram metres (gold grade (g/t) x down hole drill width = gram metres).

- 30m @ 18.46 g/t Au from 109m
- 10m @ 46.88 g/t Au from 60m
- 8m @ 32.75 g/t Au from 40m
- 5m @ 42.88 g/t Au from 48m
- 5m @ 40.61 g/t Au from 110m
- 44m @ 4.55 g/t Au from 0m
- 14m @ 12.99 g/t Au from 124m
- 3.4m @ 44.8 g/t Au from 49.6m
- 3m @ 50.58 g/t Au from 43m
- 2m @ 73.88 g/t Au from 36m
- 9m @ 12.81 g/t Au from 58m
- 9m @ 11.27 g/t Au from 0m
- 3m @ 30.97 g/t Au from 88m
- 4m @ 22.18 g/t Au from 30m
- 8m @ 10.69 g/t Au from 90m
- 13m @ 6.26 g/t Au from 123m
- 14m @ 5.65 g/t Au from 62m
- 3m @ 22.91 g/t Au from 37m
- 5m @ 13.21 g/t Au from 20m
- 6m @ 9.97 g/t Au from 98m
- 12m @ 4.7 g/t Au from 121m
- 10m @ 5.55 g/t Au from 167m
- 7m @ 7.93 g/t Au from 60m
- 7m @ 7.7 g/t Au from 85m
- 5m @ 10.76 g/t Au from 128m
- 13m @ 3.88 g/t Au from 53m
- 7m @ 7.19 g/t Au from 142m

Note: These are calculated on down holes widths, not true width. These results were previously released to the ASX on 22 February 2017.

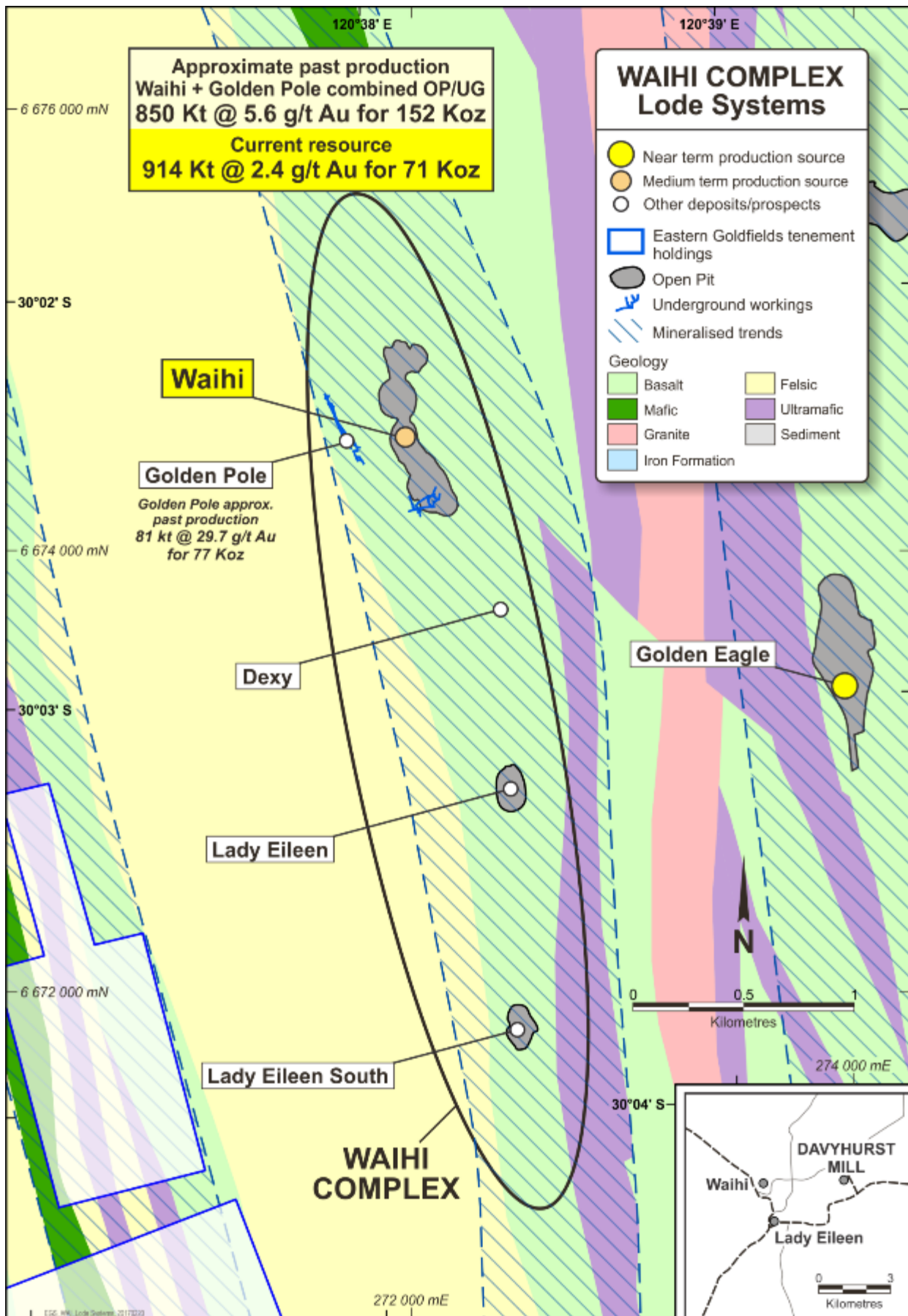


Figure 17: Project Location Plan

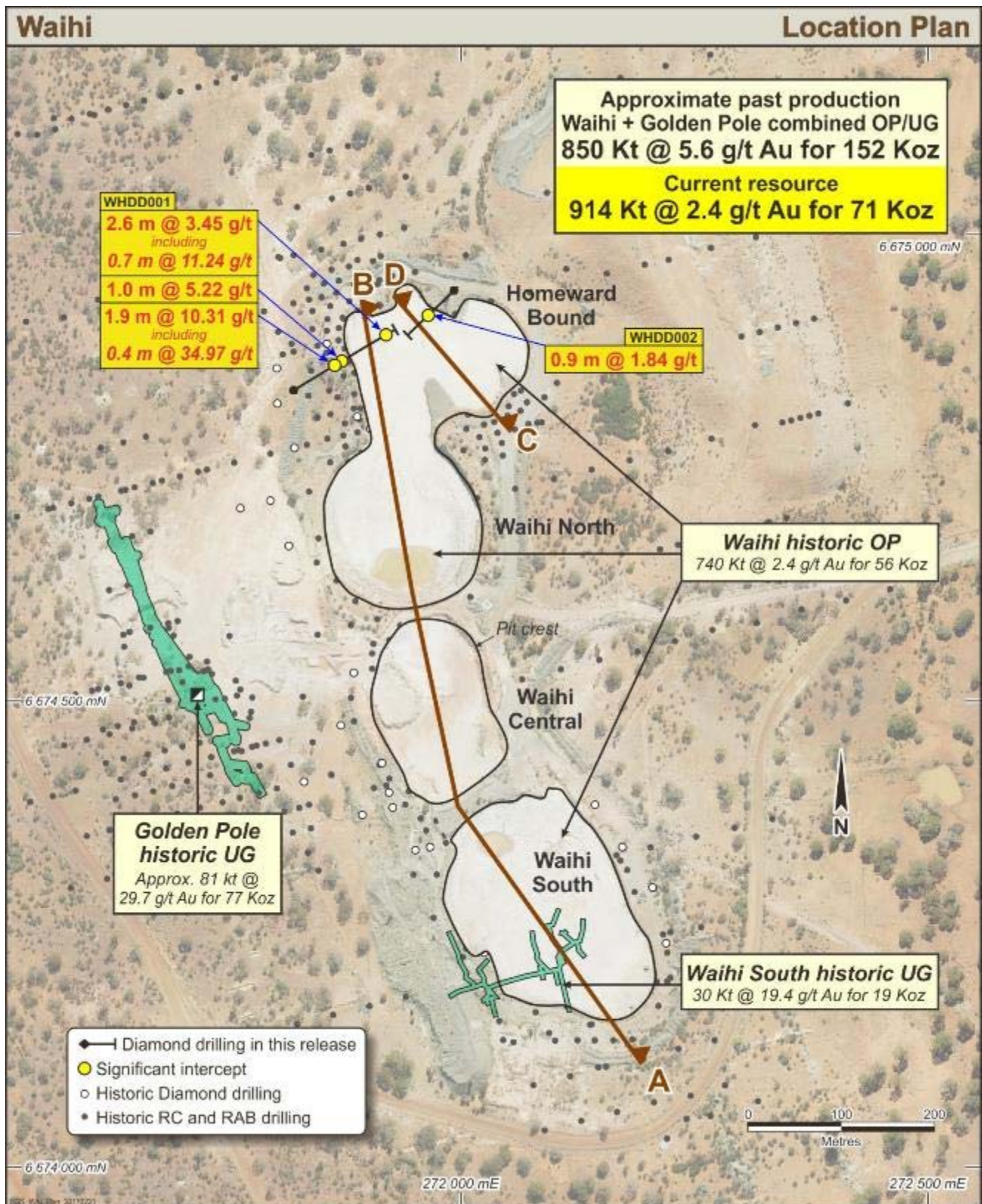


Figure 18: Waihi Plan. This image has been previously released in ASX announcement dated 22 February 2017.

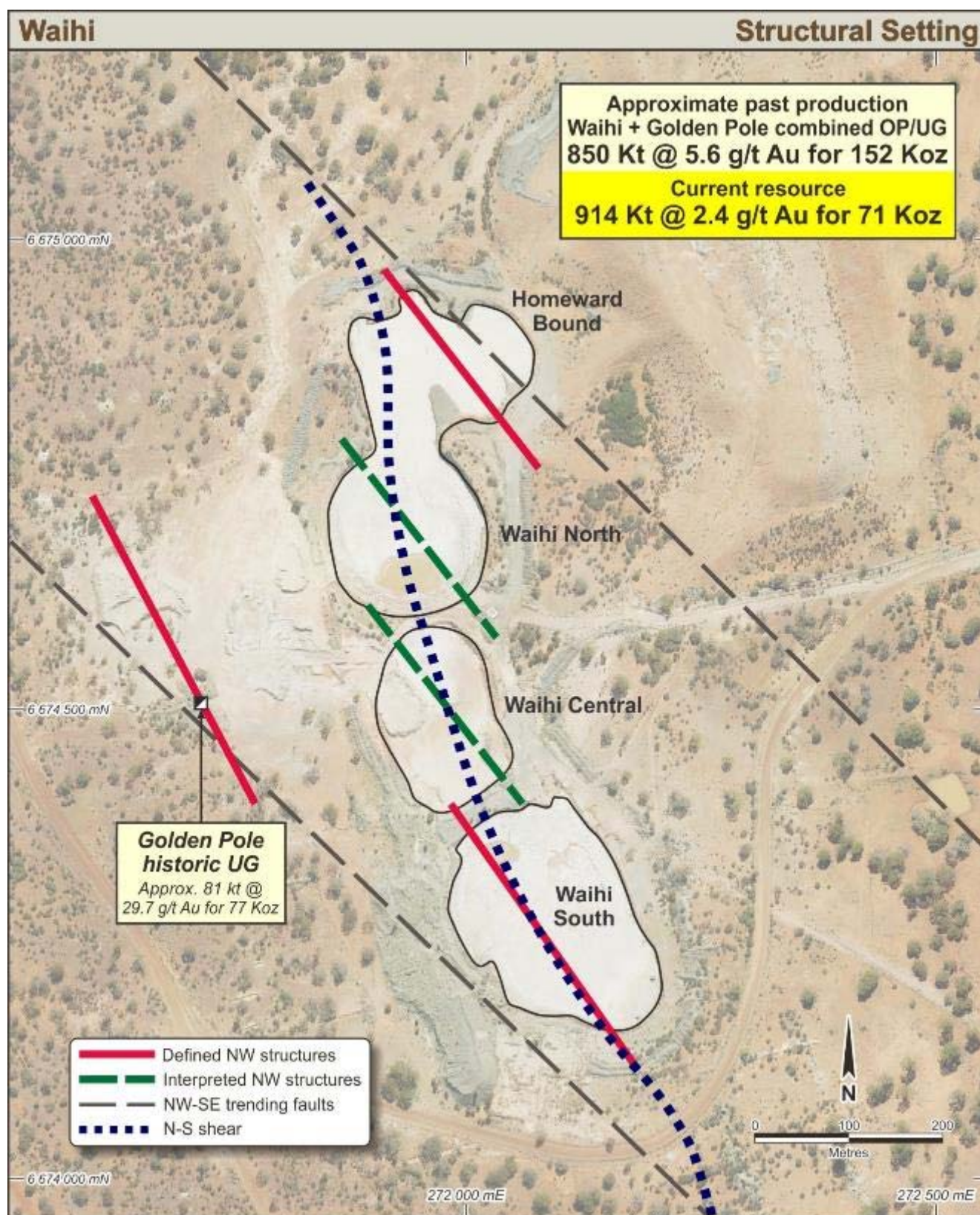


Figure 19: Waihi Interpreted Structural Setting. This image has been previously released in ASX announcement dated 22 February 2017.

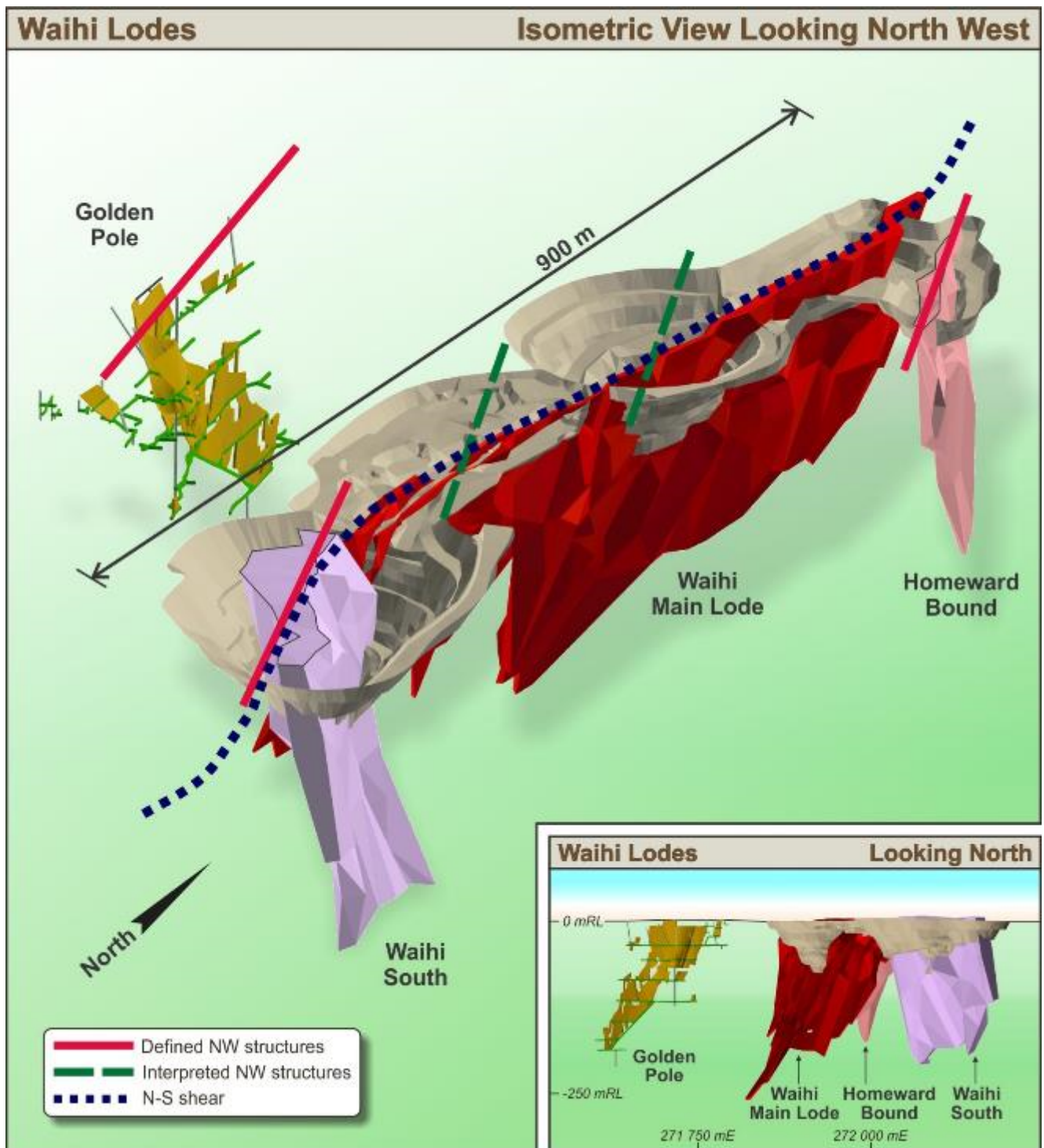


Figure 20: Waihi 3D Isometric View Looking to the North West
 (Not all lodes displayed). This image has been previously released in ASX announcement dated 22 February 2017.

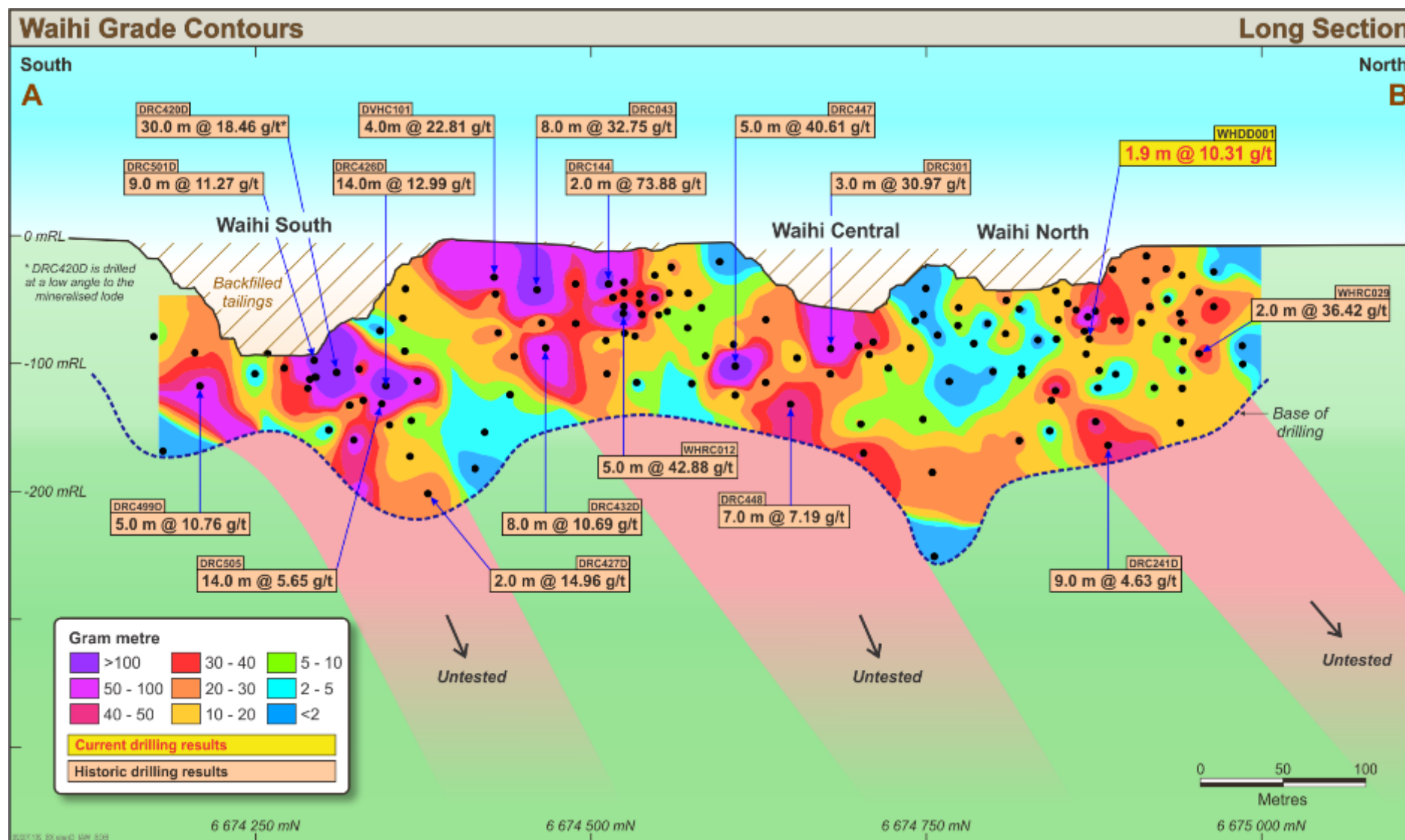


Figure 21: Waihi Long Section – gram metre contouring. This image has been previously released in ASX announcement dated 22 February 2017.

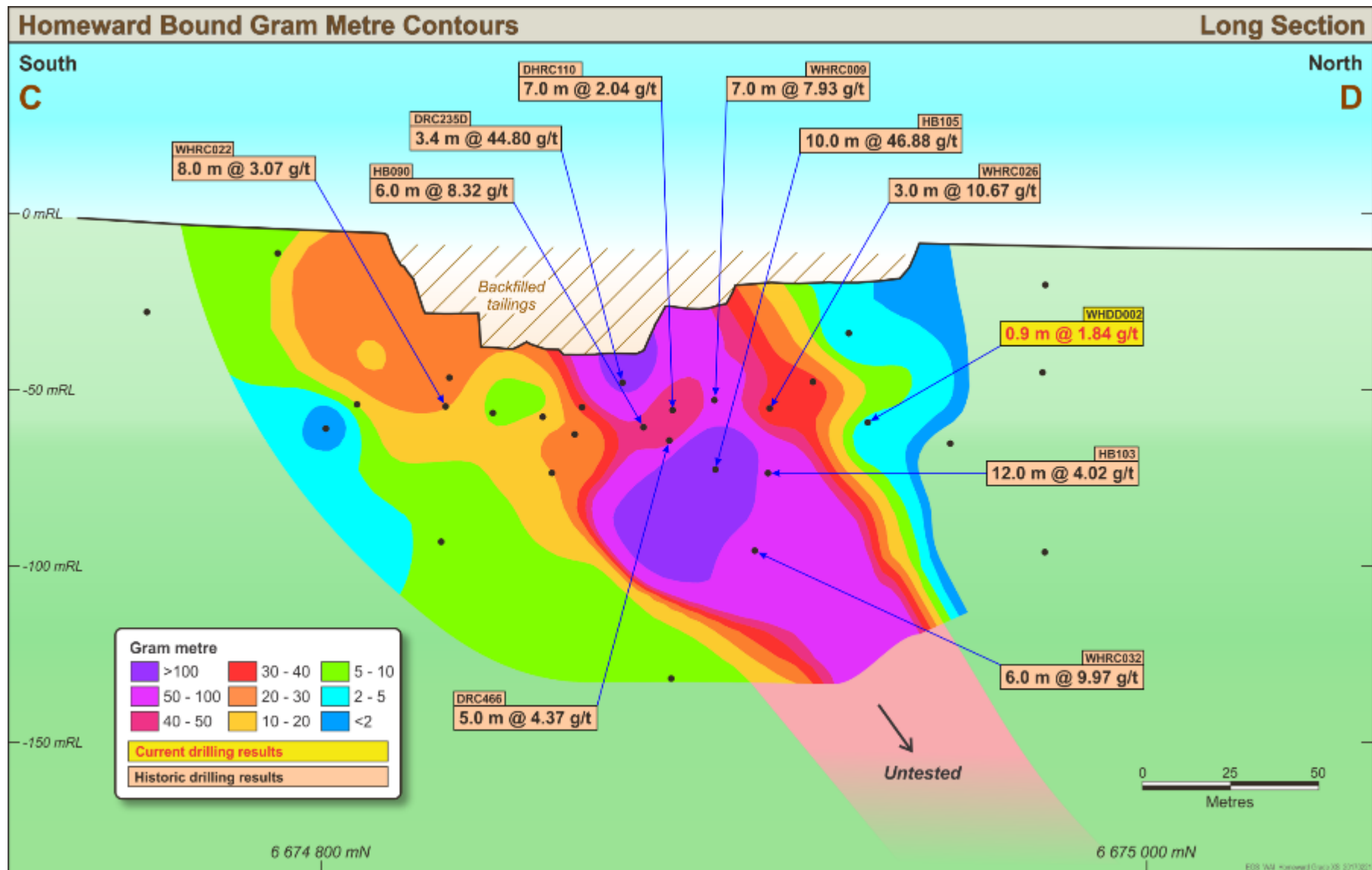


Figure 22: Homeward Long Section – gram metre contouring. This image has been previously released in ASX announcement dated 22 February 2017.

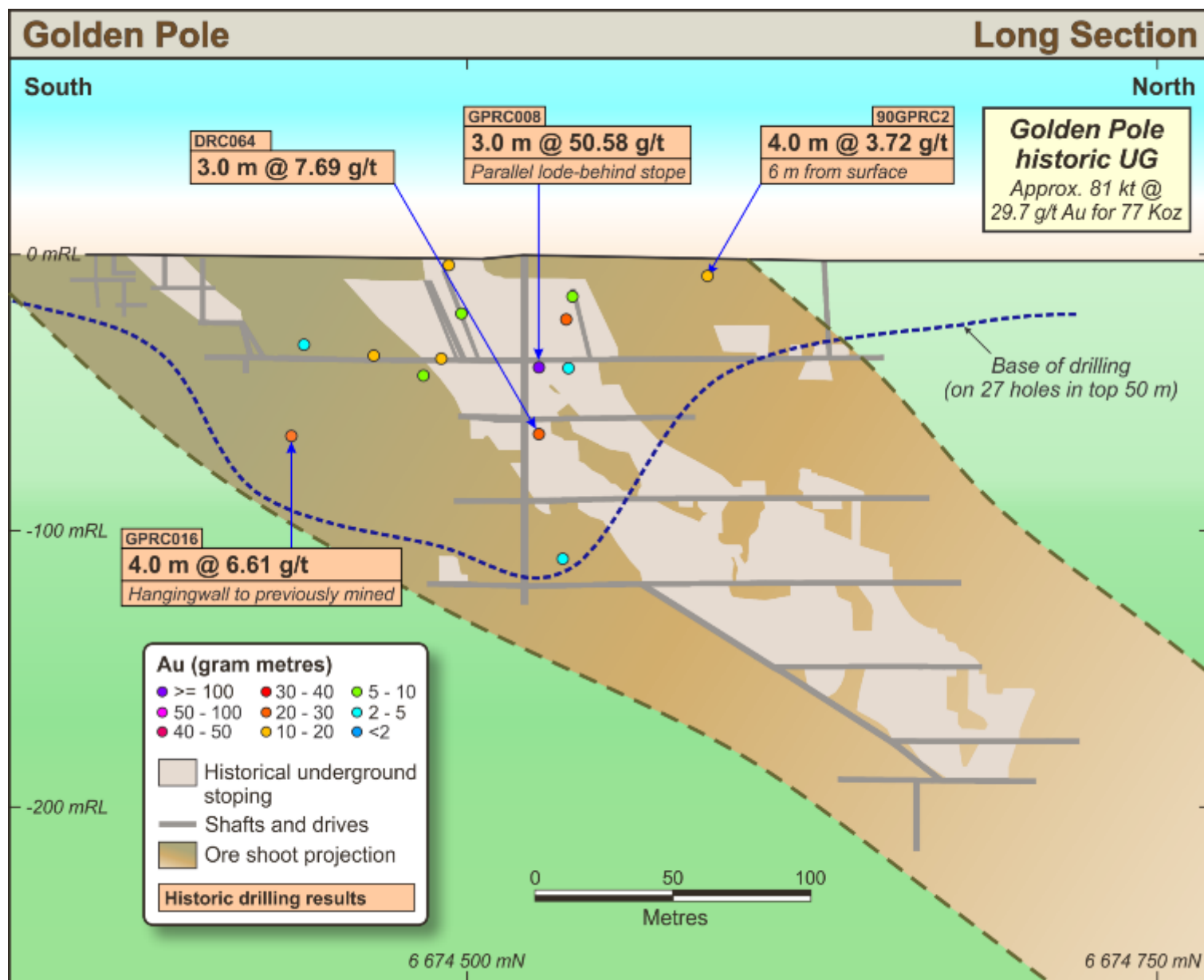


Figure 23: Golden Pole Long Section. This image has been previously released in ASX announcement dated 22 February 2017.

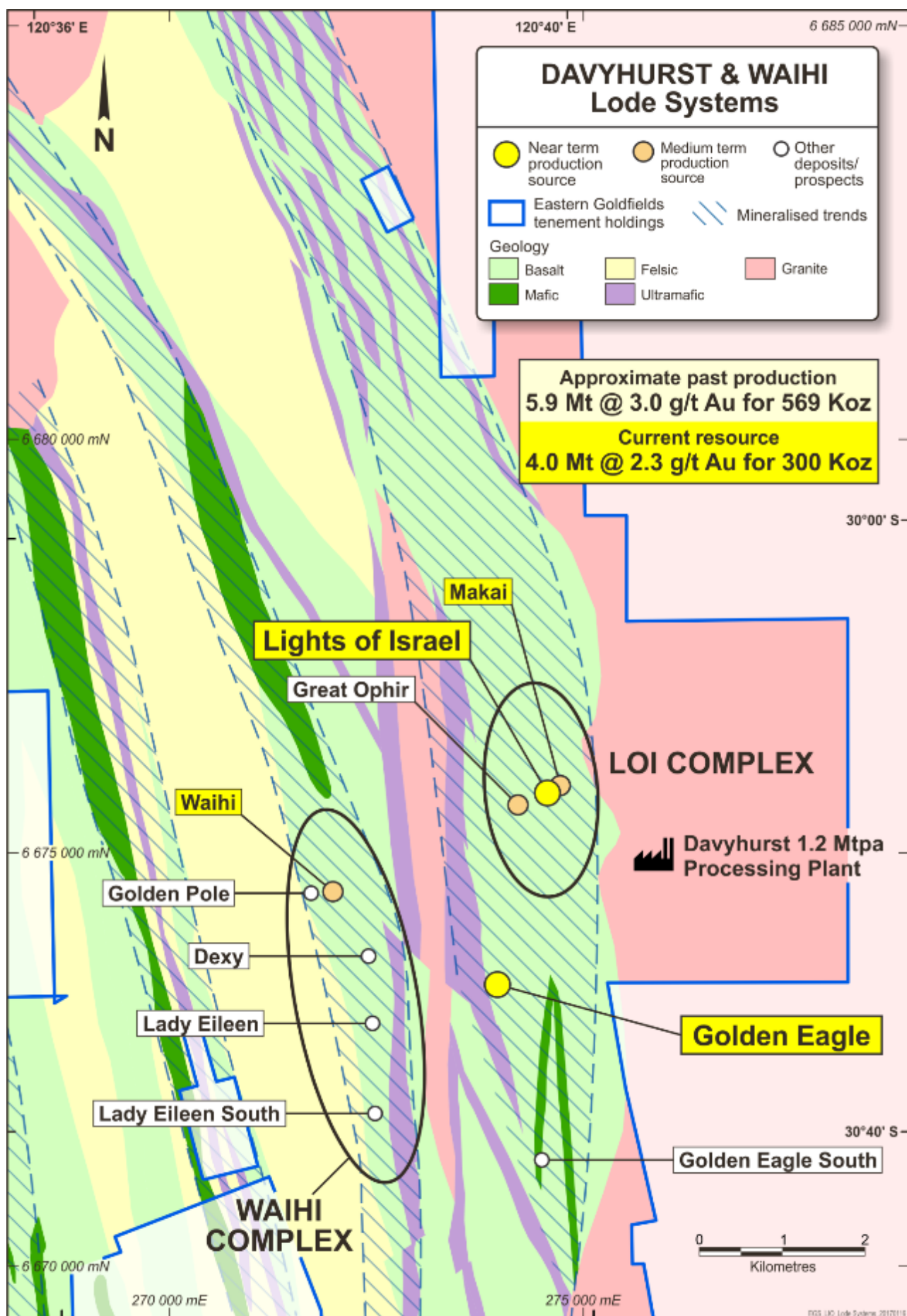


Figure 24: Davyhurst Project Location Plan

Mulline Project Area

Victoria Old Workings

A total of six holes were drilled at Victoria during the period for a total of 586 metres.

Situated one kilometre immediately north and along strike of the Mulline Rose Deposit, the Victoria old workings have produced 2,500 ounces of gold at around 30g/t (circa 1900). Untested RAB and RC anomalism surround these old workings and indicate a similar geological setting to the Mulline Rose Deposit.

The following significant results were received from six holes drilled at the deposit and announced to ASX on 20 February:

- MERC335 with 4m @ 10.90 g/t Au from 92m (4m composite sampling)
- MERC339 with 4m @ 1.22 g/t Au from 60m (4m composite sampling)

Giles Off-Set Prospect

A total of nine holes were drilled at Giles Off-Set prospect during the period for a total of 966 metres.

Regional mapping over the Mulline area identified a NE-SW trending fault to the south of the Giles pit where mineralisation tails off. This fault is interpreted to offset Giles' mineralisation one kilometre to the SW, in a region of significant rotary air blast drill results. Four RC holes were drilled in the north, and five holes in the south of the prospect.

Drilling encountered pyrrhotite rich altered basalt and mafic/granite contacts, consistent with the style of mineralisation observed at the Giles pit.

The following significant results were received and announced to ASX on 20 February:

- GSRC201 with 4m @ 3.18g/t Au from 40m
- GSRC199 with 4.0m @ 1.34g/t Au from 102m

CORPORATE

As announced on 27 February 2017, Credit Committee approval has been granted for debt facilities totalling A\$25 million (**Credit Approved Facilities**) to be provided by Investec Australia Limited (**Investec**).

The Credit Approved Facilities comprise:

- Revolving Loan Facility of A\$15m (**RLF**);
- Equity Linked Facility of A\$10m (**ELF**); and
- Gold Hedging Facility for 40,000 ounces, half of which Eastern Goldfields is required to undertake (Hedging Program) and the other half at the discretion of the Company.

As announced 10 March 2017, the Company drew down the \$15,000,000 RLF from Investec. The funds will be used for the refurbishment of the Davyhurst Gold Mine, which is now being commissioned in stages, with overall completion expected during the June quarter 2017.

9,578,544 options were issued at an exercise price of \$0.261 per option with an expiry date of 12 December 2018 to a nominee of Investec as part of the conditions attached to the drawdown of the RLF. A second tranche of options comprising 5,446,623 options exercisable at \$0.459 per option and expiry date of 15 March 2019 were issued to a nominee of Investec on 15 March 2017.

Total cash at bank at 31 March 2017 was A\$551,000. In addition, the Company holds tradeable securities in ASX listed companies (IRC and ORN) valued at approximately A\$2.3 million at 28 April 2017.

POST QUARTER EVENTS

As announced 18 April 2017, the Company received firm commitments from sophisticated, professional and institutional investors to raise a minimum of \$25 million and can raise up to \$28 million (before costs) through the issue of up to 80 million shares at an issue price of \$0.35 per share (**Placement**). The Company may also take oversubscriptions above 80 million shares (up to an additional 20 million shares) subject to final demand from offshore investors.

The Placement will be completed via two tranches, comprising 54,400,000 shares under the Company's available placement capacity pursuant to ASX Listing Rule 7.1 (**Tranche One**) and the balance of up to 45,600,000 shares will be subject to shareholder approval at a meeting to be held by the end of May 2017 (**Tranche Two**).

Funds raised under the Placement will be utilised towards commissioning of the Davyhurst plant, resource definition drilling, expedited exploration drilling and for general working capital.

In conjunction with the Placement, the Company advises that it has established a share sale facility (**Facility**) for holders of unmarketable parcels of the Company's shares.

Under the ASX Listing Rules, an unmarketable parcel is a parcel of shares with a market value of less than \$500. As at 5pm WST on 3 April 2017 (**Record Date**), an unmarketable parcel of shares is any shareholding of 1,333 shares or less, based on the closing price of \$0.375 on the Record Date. This represents 1,463,762 ordinary shares, held by 3,128 shareholders (**Minority Members**).

On 26 April 2017, the Company issued 34,985,305 Shares pursuant to Tranche One of the Placement, 750,000 Shares on exercise of 750,000 unlisted options exercisable at \$0.168 each on or before 8 March 2018 and a further 100,000 Shares at \$0.15 per Share in relation to the capital raising in March 2016.

The remaining balance of Tranche One will be issued in the coming weeks.

OUTLOOK

Although the AUD gold price dropped during the quarter, it has recently recovered to around A\$1,600/oz. Despite this price reduction, equity markets continue to be supportive of near term production gold companies.

Currently, detailed mine scheduling is being completed following finalisation of Resource and Reserve drilling, and site works are nearing completion. The Company remains on track for re-commissioning of the Davyhurst processing facility in the following weeks with production expected to ramp up in the June quarter.

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Competent Person Statement

The information in this report that relates to Exploration Results, Exploration Targets and the Sand King and Missouri Mineral Resources is based on information compiled under the supervision of Mr Michael Thomson, an employee of Eastern Goldfields Limited, who is Member of the Australian Institute of Mining and Metallurgy. Mr Thomson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Thomson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources (with the exception of the Sand King and Missouri Mineral Resources) is based on information compiled under the supervision of Mr Michael Thomson, an employee of Eastern Goldfields Limited, who is Member of the Australian Institute of Mining and Metallurgy. Mr Thomson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 and 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been modified from the original announcement and, in the case of estimates of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the initial announcement continue to apply and have not materially changed. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Craig Mann, who is an independent mining engineering consultant and a full-time employee of Entech Pty Ltd, and has sufficient relevant experience to advise Eastern Goldfields Limited on matters relating to mine design, mine scheduling, mining methodology and mining costs. Mr Mann is satisfied that the information provided in this statement has been determined to a PFS level of accuracy, based on the data provided by Eastern Goldfields Limited. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been modified from the original announcement and, in the case of estimates of Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the initial announcement continue to apply and have not materially changed.

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.

Table 5: EGS Mineral Resource Statement

PROJECT	MEASURED		INDICATED		INFERRED		TOTAL MATERIAL		
	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
GOLDEN EAGLE	0	0.0	345	2.5	311	2.6	656	2.5	54
LIGHTS OF ISRAEL UNDERGROUND	0	0.0	74	4.3	180	4.2	254	4.2	35
MAKAI SHOOT	0	0.0	1,985	2.0	153	1.7	2,138	2.0	136
WAIHI	0	0.0	805	2.4	109	2.4	914	2.4	71
Central Davyhurst Subtotal	0	0.0	3,200	2.2	800	2.6	4,000	2.3	300
LADY GLADYS	0	0.0	1,858	1.9	190	2.4	2,048	1.9	128
RIVERINA AREA	0	0.0	941	2.4	1,644	2.5	2,585	2.5	205
FOREHAND	0	0.0	386	1.7	436	1.9	822	1.8	48
SILVER TONGUE	0	0.0	155	2.7	19	1.3	174	2.5	14
Mulline Subtotal	0	0.0	3,300	2.1	2,300	2.4	5,600	2.2	390
SAND KING	0	0.0	1,773	3.3	680	3.7	2,453	3.4	272
MISSOURI	0	0.0	2,022	3.0	409	2.6	2,431	2.9	227
PALMERSTON / CAMPERDOWN	0	0.0	118	2.3	174	2.4	292	2.4	22
BERWICK MOREING	0	0.0	0	0.0	50	2.3	50	2.3	4
BLACK RABBIT	0	0.0	0	0.0	434	3.5	434	3.5	49
THIEL WELL	0	0.0	0	0.0	18	6.0	18	6.0	3
Siberia Subtotal	0	0.0	3,900	3.1	1,800	3.2	5,700	3.1	580
CALLION	0	0.0	86	2.8	83	2.3	169	2.6	14
FEDERAL FLAG	32	2.0	112	1.8	238	2.5	382	2.3	28
SALMON GUMS	0	0.0	199	2.8	108	2.9	307	2.8	28
WALHALLA	0	0.0	448	1.8	216	1.4	664	1.7	36
WALHALLA NORTH	0	0.0	94	2.4	13	3.0	107	2.5	9
MT BANJO	0	0.0	109	2.3	126	1.4	235	1.8	14
MACEDON	0	0.0	0	0.0	186	1.8	186	1.8	11
IGUANA	0	0.0	690	2.1	2,032	2.0	2,722	2.0	177
LIZARD	106	4.0	75	3.7	13	2.8	194	3.8	24
Davyhurst Regional Subtotal	138	3.5	1,800	2.2	3,000	2.0	5,000	2.1	340
Davyhurst Total	138	3.5	12,200	2.5	7,900	2.4	20,300	2.5	1,610
BALDOCK	0	0.0	136	18.6	0	0.0	136	18.6	81
BALDOCK STH	0	0	0	0	0	0	0	0	0
METEOR	0	0.0	0	0.0	143	9.3	143	9.3	43
WHINNEN	0	0	0	0	39	13.3	39	13.3	17
Mount Ida subTotal	0	0.0	140	18.6	180	10.2	320	13.8	140
Combined Total	138	3.5	12,300	2.7	8,100	2.6	20,600	2.6	1,750

1. All Resources listed above with the exception of the Missouri and Sand King Resource were prepared and first disclosed under the JORC Code 2004 (refer to ASX release *"Swan Gold Prospectus"*, 13/2/2013). It has not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.
2. The Missouri and Sand King Mineral Resources have been updated and comply with all relevant aspects of the JORC code 2012. Please refer to the original announcements for these Resources on 15 December 2016 and 3 January 2017 respectively for further detail.
3. The First Hit, Sunraysia and Lady Bountiful Resources are no longer held by Eastern Goldfields and as such have been omitted from the above table.
4. The above table contains rounding errors.

Table 6: EGS Mineral Reserve Statement

Reserve	Proven		Probable		Total		
	('000t)	(g/t Au)	('000t)	(g/t Au)	('000t)	(g/t Au)	('000oz.)
Missouri - Dec 2016	-	-	1,205	2.2	1,205	2.2	85
Sand King – Feb 217	-	-	8,20	2.5	820	2.5	65
Combined Total	-	-	2,025	2.3	2,025	2.3	150

Appendix 1: Tenement Listing and Movements During the Quarter

Tenement	Status	Mineral Field	Beginning %	End %	Note
E16/0332	Granted	16 - Coolgardie	100	100	
E16/0337	Granted	16 - Coolgardie	100	100	
E16/0344	Granted	16 - Coolgardie	75	75	1
E16/0347	Granted	16 - Coolgardie	100	100	
E16/0456	Granted	16 - Coolgardie	100	100	
E16/0473	Granted	16 - Coolgardie	100	100	
E16/0474	Granted	16 - Coolgardie	0	100	
E16/0475	Granted	16 - Coolgardie	100	100	
E16/0480	Granted	16 - Coolgardie	100	100	
E16/0482	Granted	16 - Coolgardie	0	100	
E16/0483	Granted	16 - Coolgardie	0	100	
E16/0484	Granted	16 - Coolgardie	100	100	
E16/0486	Granted	16 - Coolgardie	0	100	
E16/0487	Granted	16 - Coolgardie	0	100	
E29/0640	Granted	29 - North Coolgardie	100	100	2
E29/0641	Granted	29 - North Coolgardie	100	100	2
E29/0895	Granted	29 - North Coolgardie	100	100	
E29/0955	Granted	29 - North Coolgardie	100	100	
E29/0964	Granted	29 - North Coolgardie	0	100	
E30/0333	Granted	30 - North Coolgardie	100	100	4
E30/0334	Granted	30 - North Coolgardie	100	100	
E30/0335	Granted	30 - North Coolgardie	100	100	
E30/0336	Granted	30 - North Coolgardie	100	100	
E30/0338	Granted	30 - North Coolgardie	100	100	
E30/0449	Granted	30 - North Coolgardie	100	100	
E30/0454	Granted	30 - North Coolgardie	100	100	
E30/0468	Granted	30 - North Coolgardie	0	100	
L15/0224	Granted	15 - Coolgardie	100	100	
L16/0058	Granted	16 - Coolgardie	100	100	
L16/0062	Granted	16 - Coolgardie	100	100	
L16/0072	Granted	16 - Coolgardie	100	100	
L16/0073	Granted	16 - Coolgardie	100	100	
L16/0077	Granted	16 - Coolgardie	100	100	
L16/0103	Granted	16 - Coolgardie	100	100	
L24/0085	Granted	24 - Broad Arrow	100	100	
L24/0101	Granted	24 - Broad Arrow	100	100	
L24/0115	Granted	24 - Broad Arrow	100	100	
L24/0123	Granted	24 - Broad Arrow	100	100	
L24/0124	Granted	24 - Broad Arrow	100	100	
L24/0170	Granted	24 - Broad Arrow	100	100	
L24/0174	Granted	24 - Broad Arrow	100	100	
L24/0188	Granted	24 - Broad Arrow	100	100	
L24/0189	Granted	24 - Broad Arrow	100	100	

L24/0224	Granted	24 - Broad Arrow	100	100	
L24/0233	Granted	24 - Broad Arrow	0	100	
L29/0034	Granted	29 - North Coolgardie	100	100	
L29/0038	Granted	29 - North Coolgardie	100	100	
L29/0040	Granted	29 - North Coolgardie	100	100	
L29/0074	Granted	29 - North Coolgardie	100	100	
L30/0035	Granted	30 - North Coolgardie	100	100	
L30/0037	Granted	30 - North Coolgardie	100	100	
L30/0043	Granted	30 - North Coolgardie	100	100	
M16/0220	Dead	16 - Coolgardie	100	0	
M16/0262	Granted	16 - Coolgardie	100	100	
M16/0263	Granted	16 - Coolgardie	100	100	
M16/0264	Granted	16 - Coolgardie	100	100	
M16/0268	Granted	16 - Coolgardie	100	100	
M16/0470	Granted	16 - Coolgardie	100	100	
M24/0039	Granted	24 - Broad Arrow	100	100	5
M24/0115	Granted	24 - Broad Arrow	100	100	
M24/0159	Granted	24 - Broad Arrow	100	100	
M24/0208	Granted	24 - Broad Arrow	100	100	
M24/0376	Granted	24 - Broad Arrow	100	100	
M24/0845	Granted	24 - Broad Arrow	100	100	4
M24/0846	Granted	24 - Broad Arrow	100	100	4
M24/0847	Granted	24 - Broad Arrow	100	100	4
M24/0848	Granted	24 - Broad Arrow	100	100	4
M24/0960	Granted	24 - Broad Arrow	100	100	
M29/0002	Granted	29 - North Coolgardie	100	100	2
M29/0165	Granted	29 - North Coolgardie	100	100	2
M29/0422	Granted	29 - North Coolgardie	100	100	2
M30/0001	Dead	30 - North Coolgardie	100	0	
M30/0005	Dead	30 - North Coolgardie	100	0	
M30/0007	Granted	30 - North Coolgardie	100	100	
M30/0016	Granted	30 - North Coolgardie	100	100	4
M30/0021	Granted	30 - North Coolgardie	100	100	
M30/0034	Granted	30 - North Coolgardie	100	100	
M30/0039	Dead	30 - North Coolgardie	100	0	
M30/0042	Dead	30 - North Coolgardie	100	0	
M30/0043	Granted	30 - North Coolgardie	100	100	4
M30/0044	Dead	30 - North Coolgardie	100	0	
M30/0048	Granted	30 - North Coolgardie	100	100	
M30/0059	Granted	30 - North Coolgardie	100	100	
M30/0060	Granted	30 - North Coolgardie	100	100	4
M30/0063	Dead	30 - North Coolgardie	100	0	
M30/0072	Dead	30 - North Coolgardie	100	0	
M30/0073	Dead	30 - North Coolgardie	100	0	
M30/0074	Dead	30 - North Coolgardie	100	0	
M30/0075	Granted	30 - North Coolgardie	100	100	

M30/0080	Dead	30 - North Coolgardie	100	0	
M30/0084	Granted	30 - North Coolgardie	100	100	4
M30/0097	Granted	30 - North Coolgardie	100	100	4
M30/0098	Granted	30 - North Coolgardie	100	100	4
M30/0100	Dead	30 - North Coolgardie	100	0	
M30/0102	Granted	30 - North Coolgardie	100	100	
M30/0103	Granted	30 - North Coolgardie	100	100	
M30/0106	Dead	30 - North Coolgardie	100	0	
M30/0107	Dead	30 - North Coolgardie	100	0	
M30/0108	Dead	30 - North Coolgardie	100	0	
M30/0109	Granted	30 - North Coolgardie	100	100	
M30/0111	Granted	30 - North Coolgardie	100	100	
M30/0122	Granted	30 - North Coolgardie	100	100	
M30/0123	Granted	30 - North Coolgardie	100	100	
M30/0126	Granted	30 - North Coolgardie	100	100	
M30/0127	Granted	30 - North Coolgardie	100	100	4
M30/0129	Dead	30 - North Coolgardie	100	0	
M30/0131	Dead	30 - North Coolgardie	100	0	
M30/0132	Dead	30 - North Coolgardie	100	0	
M30/0133	Granted	30 - North Coolgardie	100	100	4
M30/0135	Dead	30 - North Coolgardie	100	0	
M30/0137	Dead	30 - North Coolgardie	100	0	
M30/0148	Granted	30 - North Coolgardie	100	100	
M30/0150	Granted	30 - North Coolgardie	100	100	
M30/0157	Granted	30 - North Coolgardie	100	100	4
M30/0159	Granted	30 - North Coolgardie	100	100	
M30/0178	Granted	30 - North Coolgardie	100	100	4
M30/0182	Granted	30 - North Coolgardie	100	100	4
M30/0187	Granted	30 - North Coolgardie	100	100	
M30/0253	Granted	30 - North Coolgardie	0	100	
M30/0255	Granted	30 - North Coolgardie	0	100	
P16/2774	Granted	16 - Coolgardie	100	100	
P16/2775	Granted	16 - Coolgardie	100	100	
P16/2921	Granted	16 - Coolgardie	100	100	
P16/2922	Granted	16 - Coolgardie	100	100	
P24/4750	Granted	24 - Broad Arrow	100	100	
P24/4751	Granted	24 - Broad Arrow	100	100	
P24/4754	Granted	24 - Broad Arrow	100	100	
P24/5073	Granted	24 - Broad Arrow	100	100	
P24/5074	Granted	24 - Broad Arrow	100	100	
P24/5075	Granted	24 - Broad Arrow	100	100	
P29/2291	Dead	29 - North Coolgardie	100	0	6
P29/2292	Dead	29 - North Coolgardie	100	0	6
P29/2293	Dead	29 - North Coolgardie	100	0	6
P29/2294	Dead	29 - North Coolgardie	100	0	6
P29/2295	Dead	29 - North Coolgardie	100	0	6

P29/2296	Dead	29 - North Coolgardie	100	0	6
P29/2297	Dead	29 - North Coolgardie	100	0	6
P29/2298	Dead	29 - North Coolgardie	100	0	6
P29/2299	Dead	29 - North Coolgardie	100	0	6
P29/2300	Dead	29 - North Coolgardie	100	0	6
P29/2301	Dead	29 - North Coolgardie	100	0	6
P29/2302	Dead	29 - North Coolgardie	100	0	6
P29/2303	Dead	29 - North Coolgardie	100	0	6
P29/2304	Dead	29 - North Coolgardie	100	0	6
P29/2305	Dead	29 - North Coolgardie	100	0	6
P29/2310	Granted	29 - North Coolgardie	100	100	2
P29/2311	Granted	29 - North Coolgardie	100	100	2
P29/2312	Granted	29 - North Coolgardie	100	100	2
P29/2313	Granted	29 - North Coolgardie	100	100	2
P29/2314	Granted	29 - North Coolgardie	100	100	2
P29/2315	Granted	29 - North Coolgardie	100	100	2
P29/2316	Granted	29 - North Coolgardie	100	100	2
P29/2317	Granted	29 - North Coolgardie	100	100	2
P29/2318	Granted	29 - North Coolgardie	100	100	2
P29/2319	Granted	29 - North Coolgardie	100	100	2
P29/2320	Granted	29 - North Coolgardie	100	100	2
P29/2321	Granted	29 - North Coolgardie	100	100	2
P29/2322	Granted	29 - North Coolgardie	100	100	2
P29/2323	Granted	29 - North Coolgardie	100	100	2
P29/2324	Granted	29 - North Coolgardie	100	100	2
P29/2325	Granted	29 - North Coolgardie	100	100	2
P29/2326	Granted	29 - North Coolgardie	100	100	2
P29/2327	Granted	29 - North Coolgardie	100	100	2
P29/2328	Granted	29 - North Coolgardie	100	100	2
P30/1042	Dead	30 - North Coolgardie	100	0	
P30/1043	Dead	30 - North Coolgardie	100	0	
P30/1074	Granted	30 - North Coolgardie	100	100	4
P30/1100	Dead	30 - North Coolgardie	100	0	6
P30/1101	Dead	30 - North Coolgardie	100	0	6
P30/1102	Dead	30 - North Coolgardie	100	0	6
P30/1103	Dead	30 - North Coolgardie	100	0	6
P30/1104	Dead	30 - North Coolgardie	100	0	6
P30/1105	Dead	30 - North Coolgardie	100	0	6
P30/1107	Granted	30 - North Coolgardie	100	100	
P30/1108	Granted	30 - North Coolgardie	100	100	
P30/1109	Granted	30 - North Coolgardie	100	100	
P30/1110	Granted	30 - North Coolgardie	100	100	4
P30/1111	Granted	30 - North Coolgardie	100	100	4
P30/1112	Granted	30 - North Coolgardie	100	100	4
P30/1113	Granted	30 - North Coolgardie	100	100	4
P30/1114	Granted	30 - North Coolgardie	100	100	4

P30/1115	Granted	30 - North Coolgardie	100	100	4
P30/1116	Granted	30 - North Coolgardie	100	100	4
P30/1117	Granted	30 - North Coolgardie	100	100	4
P30/1118	Granted	30 - North Coolgardie	100	100	4
P30/1119	Granted	30 - North Coolgardie	100	100	4
P30/1120	Granted	30 - North Coolgardie	100	100	4
P30/1121	Granted	30 - North Coolgardie	100	100	4
P30/1122	Granted	30 - North Coolgardie	100	100	4

Notes

1 EGS holds a % interest in gold rights

2 100% interest in iron rights held by 3rd party

3 100% interest in iron and nickel rights held by 3rd party

4 100% interest in nickel rights held by 3rd party

5 100% interest in gold rights held by EGS

6 Interest dissolved

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Eastern Goldfields Limited

ABN

69 100 038 266

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(58)	(5,706)
(b) development	(3,259)	(7,367)
(c) production	-	-
(d) staff costs	(815)	(2,423)
(e) administration and corporate costs	(447)	(3,547)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	-	(19)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(4,579)	(19,057)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(9,747)	(11,601)
(b) tenements (see item 10)	-	-
(c) investments	(750)	(1,638)
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	215	215

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(268)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(10,282)	(13,292)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	298 ¹	941
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	15,960	17,820
3.6	Repayment of borrowings	(810)	(1,026)
3.7	Transaction costs related to loans and borrowings	(300)	(300)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	15,148	17,435

1. Funds received during the quarter relating to the exercise of ESOP Options, however the Shares issued upon exercise of the ESOP were issued the following quarter.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	264	15,465
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,579)	(19,057)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10,282)	(13,292)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	15,148	17,435
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	551	551

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	551	264
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	551	551

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
36
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
913
-

All payments to related entities and associates are on normal commercial terms: Management and drilling fees.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	25,000	15,000
8.2 Credit standby arrangements	10,000	2,200
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
<p>Investec Australia Limited has granted debt facilities totalling A\$25 million.</p> <p>The Credit Approved Facilities comprise:</p> <ul style="list-style-type: none"> • Revolving Loan Facility of A\$15 million; • Equity Linked Facility of A\$10 million. <p>Additional Stand-by Facilities have been provide by Investmet of A\$10 million</p>		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	2,000
9.2 Development	12,700
9.3 Production	5,000
9.4 Staff costs	2,250
9.5 Administration and corporate costs	750
9.6 Other (provide details if material)	100
9.7 Total estimated cash outflows	22,800

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	M16/0220, M30/0001, M30/0005, M30/0039, M30/0042, M30/0044, M30/0063, M30/0072, M30/0073, M30/0074, M30/0080, M30/0100, M30/0106, M30/0107, M30/0108, M30/0129, M30/0131, M30/0132, M30/0135, M30/0137, P30/1042, P30/1043, P29/2291, P29/2292, P29/2293, P29/2294, P29/2295, P29/2296, P29/2297, P29/2298, P29/2299, P29/2300, P29/2301, P29/2302, P29/2303, P29/2304, P29/2305, P30/1100, P30/1101, P30/1102, P30/1103, P30/1104, P30/1105	Relinquished	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E16/0474, E29/0984, E30/0468, L24/0233, M30/0253, M30/0255	Acquired	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



28 April 2017

Sign here:
(Director/~~Company secretary~~)

Date:

MICHAEL FOTIOS

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.