



COURT REFERS GR ENGINEERING CLAIM TO ARBITRATION

The Supreme Court of Western Australia has today ordered that proceedings commenced by GR Engineering Services Limited (**ASX:GNG**) against Eastern Goldfields Limited (**ASX:EGS**) (**Eastern Goldfields** or **the Company**) on 11 July 2017 regarding the Davyhurst Gold Project refurbishment contract (**Contract**) be stayed, referring the disputes to arbitration.

Eastern Goldfields applied for the proceedings to be stayed on 30 August 2017. In granting the stay, the Court rejected GR Engineering's submission that its claim of \$9,940,991.59 should be heard by the Court because it was a "*payment due under the Contract*". The Court stated that it was "*satisfied that the contentions between the parties are such that there are differences or disputes between them*".

GR Engineering had refused Eastern Goldfields' requests of August 2017 to confer regarding the claim, as is required by the Contract. At the request of Eastern Goldfields, the Court has now referred the disputes with GR Engineering to arbitration. As announced on 12 July 2017, Eastern Goldfields will seek to recover loss and damage arising from GR Engineering's breaches of contract, including wrongful suspension of work, failure to assist Eastern Goldfields to complete the Davyhurst mill refurbishment and GR Engineering's defective work and omissions that Eastern Goldfields has had to rectify.

GR Engineering was ordered today to pay Eastern Goldfields' costs of the Court application.

Investor Enquiries

Michael Fotios

Executive Chairman

T: +61 8 6241 1888

E: admin@easterngoldfields.com.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: 564m*

Options: 58m

Current Share Price: \$0.235

Market Capitalisation: \$132m

Cash as at 30/09/2017:

\$37,000**

*66,668 escrowed indefinitely

**Excluding total debt

facilities of \$35m, see ASX
announcement 31 Jan 2017.

EASTERN GOLDFIELDS LIMITED

ACN 100 038 266
24 Mumford Place
Balcatta WA 6021

T: +61 8 6241 1866

F: +61 8 6241 1811

E: admin@easterngoldfields.com.au

www.easterngoldfields.com.au