

DAVYHURST EXPLORATION AND OPERATIONS UPDATE

HIGHLIGHTS

- **13 drill holes completed at the Riverina gold deposit, within which visible gold has been intersected**
- **Assay results pending for both Riverina and Callion**
- **Processing plant achieving prolonged uninterrupted production periods, nearing a stable state**

Eastern Goldfields Limited (ASX: EGS) (**Eastern Goldfields** or the **Company**) is pleased to announce an exploration and operations update for the Davyhurst plant and the **Riverina** and **Callion** Deposits located within the Davyhurst Mining Hub, approximately 120 kilometres North West of Kalgoorlie.

Diamond drilling continues with 13 drill holes recently completed for 1,680 metres (HQ3/NQ2) over a 530 metre strike length of the **Riverina** gold deposit. Within the latest drill holes a one metre true width fresh-rock quartz vein has been intersected with visible gold (RVDD16018 from 70 metres downhole or 62m vertical from surface). This drilling is currently evaluating potential open pit mining targets. This is the first time that visible gold has been identified in drill core at **Riverina** by Eastern Goldfields. This visible gold may suggest that there are quartz lodes in the resource that contain a significant proportion of coarse gold.

The drill core samples are currently being processed and assembled on site and will be dispatched for assaying when ready. There have been a total of 35 holes for 3,830 metres completed of which 16 holes are in the assay laboratory with approximately 1,630 samples due to be received shortly. The remainder of the samples await dispatch from site.



Figure 1: RVDD16018 70m downhole.

Visible gold with sphalerite and galena in quartz vein biotite-chlorite host rock.

In addition, at **Callion** there have been a total of 12 holes completed for 1,096 metres of which 9 holes are in the assay laboratory with approximately 600 samples due to be received shortly.

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: 560.4m

Options: 58m

Current Share Price: \$0.29

Market Capitalisation:

\$162.5m

Cash as at 30/06/2017:

\$13,000*

*Excluding total debt facilities of \$35.0m, see ASX announcement 31 Jan 2017. Drawn to date \$15.7m.

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Executive Chairman Michael Fotios said:

“We are very pleased with the continued drilling success at Riverina. We remain highly encouraged by the results flowing from this deposit. We are also very proud of our operational team who have come together seamlessly to achieve numerous operational improvements seen within the processing plant over the last week. This all bodes well for the future of the Davyhurst Project.

Processing Plant Update

Commissioning works continue with the plant now approaching a stable state. From this point, the operation team expects further stabilisation of the plant before commencing the ramp-up of the through-put rate above the current level of 80t/hr. In the last week, the following operational steps have been achieved:

- Plant now achieving prolonged uninterrupted production periods at an effective operational rate of 80t/hr;
- Gold-in-circuit (**GIC**) inventory increasing;
- Davyhurst team successfully commissioned Anglo American Research Laboratory (**AARL**) elution circuit. The first carbon strip has been completed with gold successfully recovered from the circuit. This has resulted in the first carbon in pulp (**CIP**) and gravity gold pour;
- Davyhurst team working with Process Logic Control (**PLC**) programmers to optimise the plant functionality, which has resulted in a positive increase in the crushing circuit efficiency that has in turn lead to sustained mill feed rates; and
- Entire leach circuit now on line and functioning to design specification.

Corporate Update

We refer to recent media speculation regarding protests in Kalgoorlie at Digges & Dealers. The Company has been in constant discussion with these contractors and confirms that the payment of these contractors has occurred or will occur shortly. The Company continues to interact with its contractors in the normal course of commissioning.

Riverina

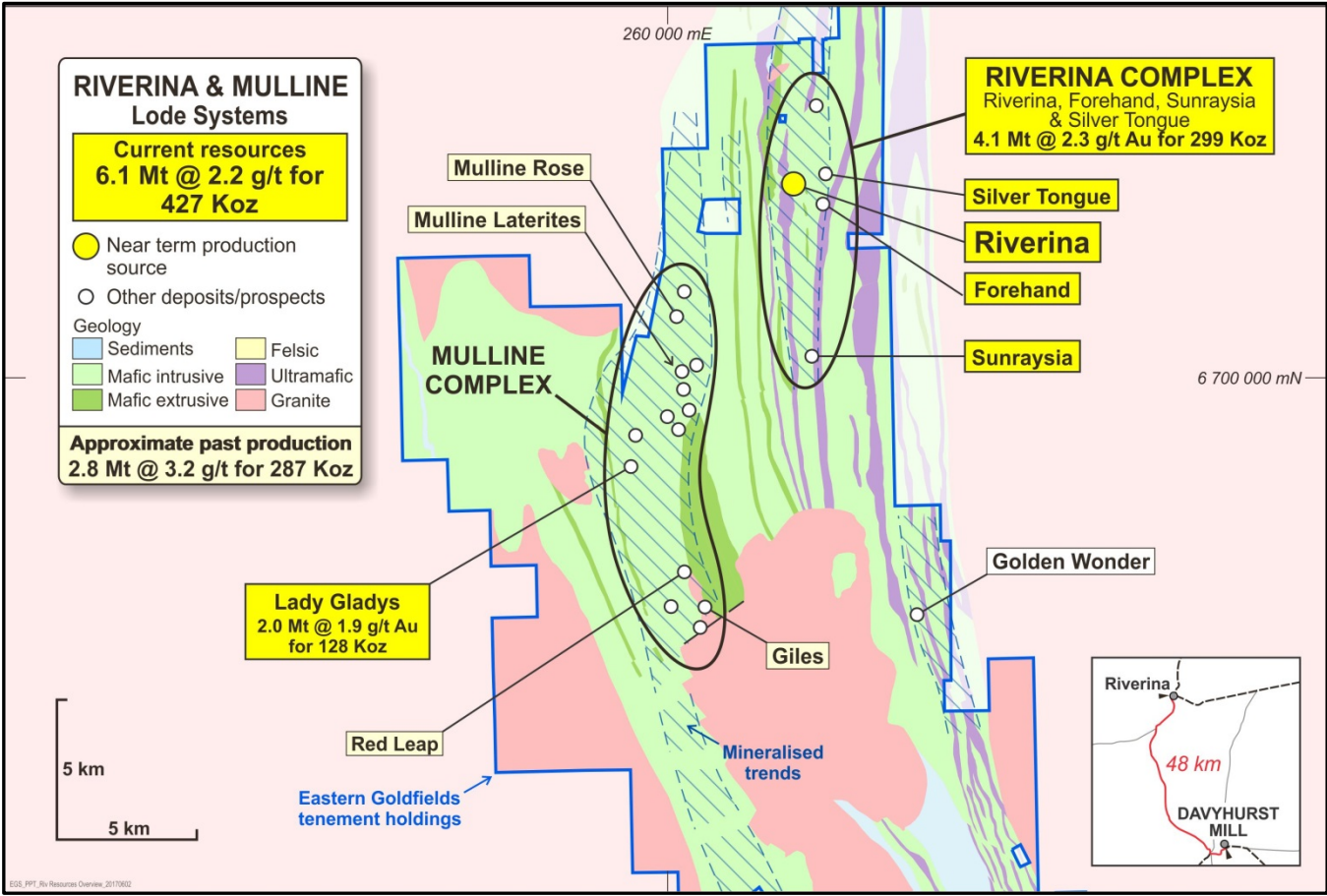


Figure 2: Riverina Project Location Plan.

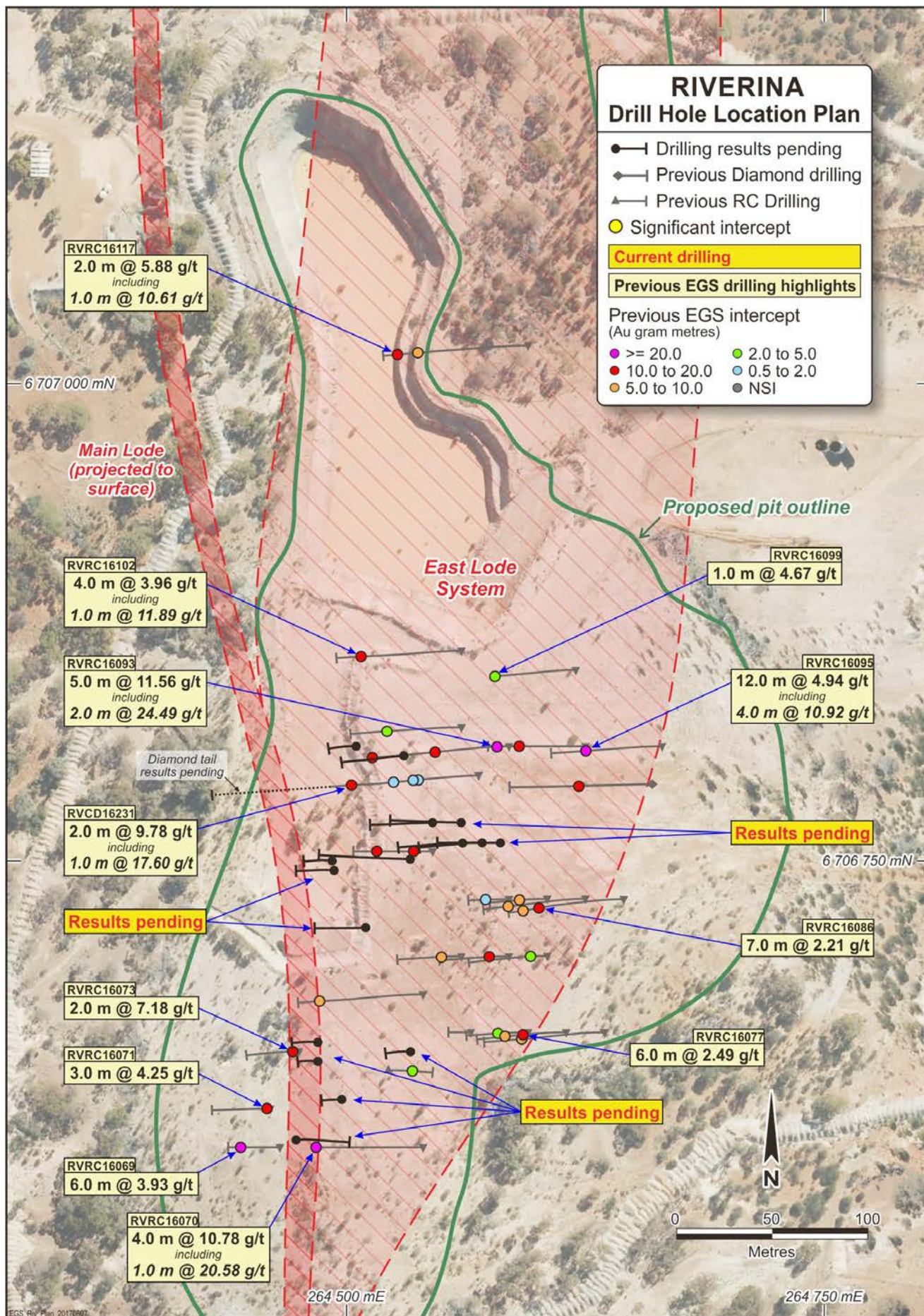


Figure 3: Riverina Drill Plan showing drilling with results pending and past results.
Previous results see ASX release 25 January 2017.

Callion

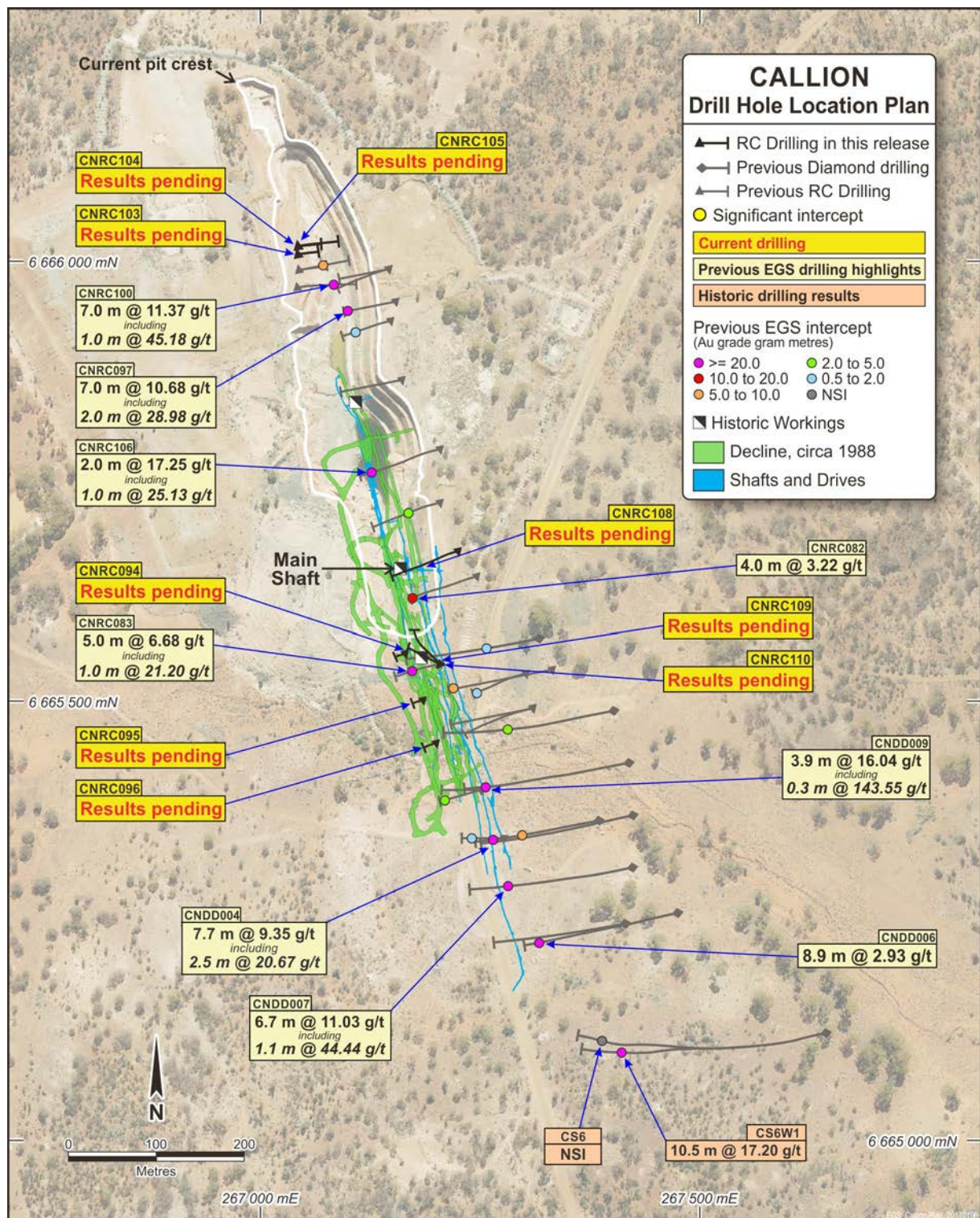


Figure 4: Callion Drill Plan showing drilling with results pending and past results.
Previous results see ASX release 10 January 2017.

Investor Enquiries

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Forward Looking Statements

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Competent Persons Statement

The information in this report that relates to Mineral resources is based on information compiled under the supervision of Mr Andrew Czerw, an employee of Eastern Goldfields Limited, who is Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Czerw 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 Andrew Czerw consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 2: 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	3,962	2.3	296
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
SUNRAYSLA	0	0.0	175	2.1	318	2.0	493	2.0	32
Riverina-Mulline Subtotal	0	0.0	3,515	2.1	2,607	2.3	6,122	2.2	427
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	3,913	3.1	1,765	3.2	5,678	3.1	577
CALLION	0	0.0	86	2.8	83	2.3	169	2.6	14
Callion Subtotal	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
Walhalla Subtotal	32	2.0	962	2.1	887	2.0	1,881	2.1	126
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
Lady Ida Subtotal	106	4.0	765	2.3	2,045	2.0	2,916	2.1	201
Davyhurst Total	138	3.5	12,441	2.5	8,187	2.4	20,728	2.4	1,641
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	0	0.0	0
METEOR	0	0.0	0	0.0	143	9.3	143	9.3	43
WHINNEN	0	0.0	0	0.0	39	13.3	39	13.3	17
Mount Ida Total	0	0.0	136	18.6	182	10.2	318	13.8	141
Combined Total	138	3.5	12,577	2.7	8,369	2.6	21,046	2.6	1,782

1. All Resources listed above with the exception of the Missouri and Sand King Resources 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 has been updated and complies with all relevant aspects of the JORC code 2012.
3. The above table contains rounding errors.