

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2018

HIGHLIGHTS

- **\$75M recapitalisation plan announced to deliver strong balance sheet and underpin future growth**
- **New leadership team with proposed restructured board to leverage relevant industry knowledge and expertise**
- **Revised operating strategy provides a clear path to achieve business improvement and develop the significant resource base owned in the Eastern Goldfields – 1.78Moz (21Mt @ 2.6g/t)**

Eastern Goldfields Limited (ASX: EGS) (**Eastern Goldfields** or the **Company**) provides the following review of activities for the quarter ended 30 September 2018.

RECAPITALISATION

Eastern Goldfields announced to the market during the quarter (*refer to ASX Announcement dated 28 September 2018*), that it has successfully agreed a recapitalisation package with relevant stakeholders including institutional investors, participants in the upcoming placement, the Company's secured debt financier, Adaman Resources and trade creditors (the **Recapitalisation**), which will facilitate the future long-term growth of the Company.

As part of the Recapitalisation, the Company is:

- receiving \$8.75 million (before costs) in interim financing through the issue of secured loan notes which, upon receipt of requisite shareholder approvals, will convert into ordinary shares in the capital of the Company;
- raising at least \$36.9 million (before costs) by way of a placement to sophisticated and professional investors (the **Placement**);
- entering into a Recapitalisation and Services Deed with Adaman Resources Pty Ltd (**Adaman**) to deliver a complete mining solution;
- reducing its outstanding debts and strengthening its balance sheet by negotiating settlements with existing trade creditors; and
- undertaking a 1 for 7 non-renounceable pro-rata entitlement offer at the price of \$0.05 per new share, with one free attaching new option for every five new shares acquired to raise approximately \$5 million (before costs) (the **Entitlement Offer**).

A notice of meeting has been issued with respect to an extraordinary general meeting of the Company to be held on 30 November 2018 for the purposes of seeking all necessary shareholder approvals relating to the Recapitalisation.

BOARD OF DIRECTORS

Mr Craig Readhead
Non-Executive Director

Mr Campbell Baird
Non-Executive Director

Mr Peter Mansell
Non-Executive Director

Mr Brendon Morton
Company Secretary

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SYNDICATED FACILITIES AGREEMENT

As announced by the Company on 29 August 2018, Hawke's Point Holdings I Limited (**Hawke's Point**) agreed to acquire debt owing by the Company under its syndicated facilities agreement with Investec Australia Limited (**Investec**) (**Syndicated Facilities Agreement**) by agreeing to:

- a) purchase the outstanding debt owed by the Company to Investec; and
- b) acquire an assignment of the Syndicated Facilities Agreement and the associated security documents from Investec.

Following the receipt of the required approval, all or substantially all of the outstanding amount under the Syndicated Facilities Agreement will be converted to ordinary shares in the capital of the Company (**Conversion Shares**) at a price of \$0.05 with a corresponding 1 for 4 free attaching unlisted option to acquire a Share (**Conversion Option**). Each Conversion Option will entitle the holder to subscribe for one Share at an exercise price of \$0.075 per Conversion Option. The Conversion Options expire on the date that is 4 years from the date of the completion of the Placement.

Hawke's Point has agreed to provide a further standstill in relation to its rights under the Syndicated Facilities Agreement and the associated security documents until the completion of the Placement.

BOARD AND MANAGEMENT CHANGES

In connection with the Recapitalisation, the Company announced the following board and management changes to occur upon completion of the Placement:

- the appointment of Mr Craig Bradshaw as the Managing Director of the Company;
- the continuation of Mr Peter Mansell as the Chairman of the Company;
- the appointment of Mr David Quinlivan, Mr Keith Jones and Mr Tony Patrizi as non-executive directors of the Company; and
- the resignation of Mr Campbell Baird and Mr Craig Readhead as directors of the Company.

Following the announcement of the Recapitalisation, the Company's Chief Executive Officer, Mr Victor Rajasooriar resigned, effective 5 October 2018 (post quarter-end).

During the quarter, Mr Michael Fotios and Mr Alan Still resigned as directors of the Company, with their resignation taking effect from 28 August 2018.

Upon completion of the Board restructure, the Board will be governed by a majority of independent, non-executive directors.

CHANGE OF COMPANY NAME

As announced during the quarter, the Company proposes to change its name from 'Eastern Goldfields Limited' to 'Eris Gold Limited' and to amend the constitution to reflect the change of name. The change of name is subject to shareholder approval of a special resolution which is included in the notice of meeting for the extraordinary general meeting to be held 30 November 2018. If the special resolution is approved, the Company's ASX listing code will change from EGS to ERI (if available), which will be announced on the ASX's announcement platform when the change takes effect.

GR ENGINEERING

On 12 July 2017, the Company received a writ of summons for proceedings in the Supreme Court of Western Australia commenced by GR Engineering Services (**GR Engineering**) in relation to the Davyhurst Gold Project refurbishment contract entered into by GRES and the Company on 22 September 2016. The Order made by the Supreme Court of Western Australia to wind up Eastern Goldfields was subsequently set aside and the winding up process terminated with the Company returned to its Directors (ASX announcement 17 August 2017).

The Company announced on 13 August 2018 that it had executed a deed of settlement and release with GR Engineering for a settlement sum of \$8.25 million to settle all claims by GR Engineering arising under or relating to the contract for refurbishment of the Davyhurst Gold Project (**Settlement Deed**).

The Company announced post quarter-end (refer to ASX Announcement dated 4 October 2018), that it had reached agreement with GR Engineering to vary the terms of the Settlement deed, such that the final instalment of the \$8.25 settlement sum will now be paid on or before 30 November 2018, following the Company receiving the necessary shareholder approvals to give effect to the \$75 million Recapitalisation.

UNMARKETABLE PARCEL SALE FACILITY

The Company refers to:

- a) ASX announcement dated 18 April 2017 – “Eastern Goldfields raises \$25 million to fund development and exploration;
- b) ASX announcement dated 19 April 2017 – “Despatch of Unmarketable Parcel Documents; and
- c) ASX announcement dated 4 July 2017 – “Close of Unmarketable Parcel Sale Facility”.

The Company announced that it closed the Unmarketable Parcel Sale Facility for parcels of shares worth less than \$500 (“Unmarketable Parcels”) in the Company (“UPS Facility”) on 30 June 2017. The Company provided the UPS Facility to holders of Unmarketable Parcels to sell their shares without incurring any brokerage or handling costs that could otherwise make a sale of their shares uneconomic or impractical.

1,272,431 shares were acquired from 2,773 shareholders (the “Affected Shareholders”) and remain held for sale by the Company at the end of the quarter. It is anticipated that the shares will be sold on or around the date in which the Company’s securities are requoted on the Australian Securities Exchange.

The Company’s constitution provides that Unmarketable Parcels may only be sold for a price that is not less than the price equal to the simple average of sale price of the last 10 days immediately preceding the date of any offer received by the Company. The Company has analysed the trading history of its securities subsequent to being reinstated to trading on 17 April 2018 and has identified that, given the trading patterns and periods of suspension since the close of the UPS Facility there were limited windows available to sell the unmarketable parcels. The Company has determined that if the Company had taken advantage of the limited opportunities to trade, the Company could have achieved an average sale price of \$0.13283 per share. Given the failure to action this, for which the Company is sincerely apologetic, once the Company’s securities are reinstated to trading the Company will arrange for the shares to be sold as soon as reasonably practicable (in accordance with the constitution) and will pay the Affected Shareholders the difference between the average price sold and the price of \$0.13283 per share.

INVESTMET LOAN

At the end of the quarter, the amounts owing to Investmet Limited, Azurite Corporation Pty Ltd and other entities related to those entities, was \$12.58 million (including accrued interest). The amount owing to Azurite Corporation Pty Ltd, as at the end of the quarter, was \$10.99 million (including accrued interest).

TRADE PAYABLES

During the quarter, the Company has incurred debts to various contractors in connection with services which have been performed at, or in relation to the Davyhurst Project. During the quarter and post quarter-end, the Company has been managing a number of creditor claims, including several statutory demands and other legal claims. The Company continues to work closely with these creditors and expects to be in a position to repay all sums due to trade creditors out of the proceeds of the Recapitalisation.

OVERVIEW OF OPERATIONS

DAVYHURST PROJECT

Operational Status

During the quarter, the Company made the decision to cease all current operating activities at the Davyhurst Project, including the underground mining at Golden Eagle and all other surface mining activities. The processing activities at the Davyhurst Project have also been placed into temporary suspension.

Non-essential site personnel who were predominantly contract-based have been released, with a small team continuing to maintain site security and critical infrastructure. Likewise, the headcount at the corporate office has been reduced to reflect the current situation within the Company, whilst maintaining key financial and technical resources.

During the quarter and post quarter-end, the remaining management are undertaking a strategic review of the Company's business plan including:

- reviewing the Golden Eagle mine plan to support operations for the next two to three years, including the assessment and review of key capital infrastructure and the mine schedule (including a recommencement plan);
- reviewing the Sand King mine plan including, the assessment and review of the mine design and mining schedule;
- undertaking a full review of the processing facility to correct outstanding issues affecting plant performance; and
- preparing a revised financial model taking-into-account the above, corporate costs, environmental costs, tenement management, exploration activities and business strategy.

Overview

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

During the quarter the 1.2mtpa processing plant treated 61,682 tonnes of ore at 1.53g/t for 3,044 contained ounces at a recovery rate of 84%.

Underground mining at Golden Eagle advanced with a total development of 448 meters for the period. Access and capital development toward the 315 level and the 335 diamond drill drive continues. Total ore production for the period totalled 25,550 tonnes at 3.12g/t.

Siberia open pit operations continued mining the Sand King low grade stockpile and near surface laterites. Total ore production for the period totalled 30,174 tonnes at 1.24g/t.

Resource development activities continued during the quarter with the completion of two holes testing the Golden Eagle down plunge extensions. Both holes intersected multiple alterations zones typically associated with high grade ore including an intersection of visible gold from 186.4m to 197.0m. Assay results remain outstanding.

With the completion of drilling at Riverina the geological, structural and mineralisation modelling which is required prior to the upgrading of the existing mineral resource estimate.

Exploration activities have slowed, with the focus remaining on the logging and sampling of diamond core drilled during the previous quarter, including;

- Lady Irene and Yunndaga deposits (Menziess EGS/IRC JV)

- Bombay prospect at Mt Ida
- Golden Wonder prospect, east of Giles
- Mystery prospect, west of Lady Gladys

At period end the Mystery drilling had been geologically logged and is awaiting sampling, while logging of the others remained ongoing.

Processing Operations

Ore milled for the quarter totalled 61,682 tonnes at 1.53g/t for 3,044 ounces.

Post suspension of operations, the processing facility underwent a structured shut-down completing scheduled events until it was set in a care and maintenance mode mid-August. Key management staff continue to work on a full review of the processing facility aimed at correcting outstanding issues affecting plant performance.

Underground Mining

Underground mining continued to progress at Golden Eagle during the quarter, until the end of August when production was halted.

Ore development to the north and south continued on the 335 (4th) level, which is the and currently the deepest level in the mine. Production drilling and stoping also continued to the north on the 375 (2nd) and 355 (3rd) levels. To the south, development was completed on the 375 (2nd) and 355 (3rd) level. Stopping designs were under construction for these areas. Each level delivered solid results, with the main ore lode (Quartz-Feldspar Lode, or QFL) maintaining consistency in grade and geometry despite some boudinage features.

On the 335 (4th) level, 178 metres of ore development was completed. The main ore lode has also started to shallow in dip from sub-vertical to 60-70 degrees as predicted in the geological model.

Access and capital development is ongoing for the 315 level and the 335 drill drive. The secondary exhaust fan was moved near the 356SP enhancing ventilation for the lower depth development throughout the mine.

Emergency response training of site personnel continued until end of August. Importantly for the stoping schedule, secondary egress for the underground mine was established between the 335 and 355 levels tying in with the existing 355 – 375 – surface escape-way.

Golden Eagle Project Development

Two diamond drill holes were completed during the period for 571.1 metres, targeting down plunge extensions to the north. Both completed holes intersected multiple zones of strong biotite-carbonate-sulphide alteration and Quartz-Feldspar-Lode (QFL) development, typical of the high-grade ore present at Golden Eagle. GEDD18022, targeting the Northern Shoot, intersected visible gold at the 186.4m and 197.0m, corresponding to the Main Lode and Footwall Lode positions within the mine.

Assay results are pending for both holes due to a delay in logging and sampling as a result of staff curtailment during the quarter.

Planning of a major resource drill-out was undertaken during the period, targeting the next 100 vertical metres of down to the 215mRL (See Figure 1). The program designed as a combination of surface RC/DD drilling and underground diamond drilling. To facilitate the underground drilling efforts, an underground drill drive was

completed from the decline at the 335mRL. Approximately 3,500 metres of UG diamond drilling is planned, with a further 4,000 metres of RC pre-collars and diamond core tails making up the surface drilling program.

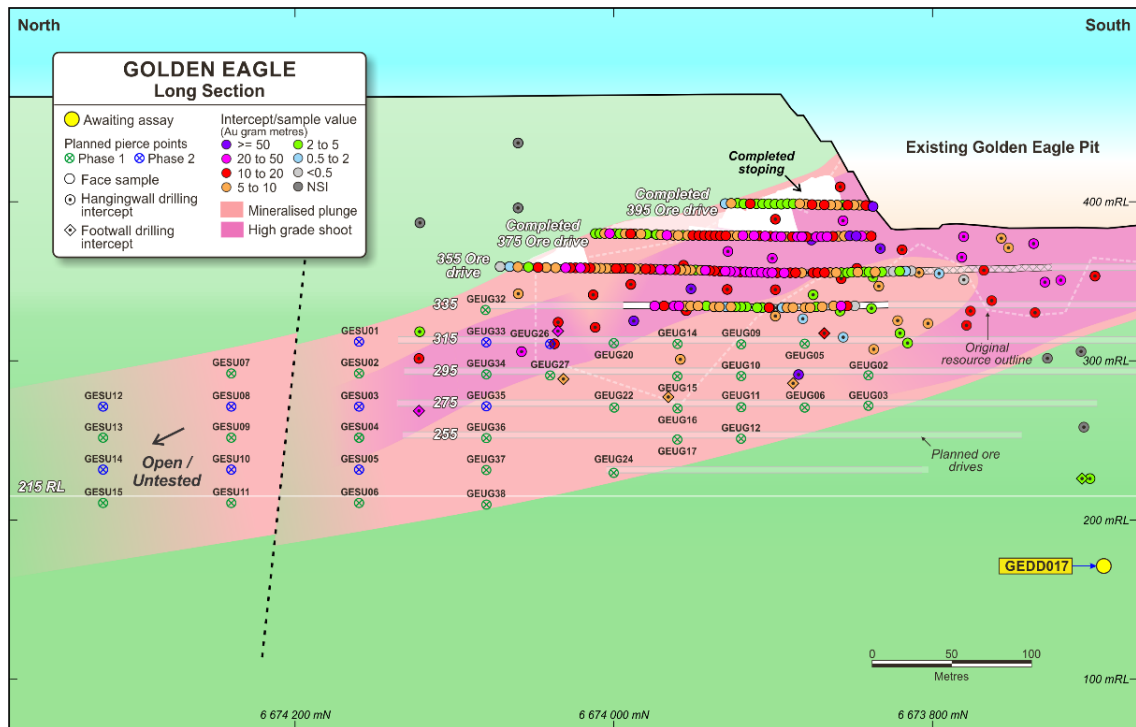


Figure 1: Golden Eagle Long Section showing actual and planned drill hole intersection points.

Open Pit Mining

Operations at Siberia’s Sand King open pit largely involved mining of the low-grade dump from the 425RL to the 422.5RL yielding 30Kt of low grade at 1.24g/t. The Rowe laterites pit 410RL to 407.5RL achieved 2,200t at 1.25g/t. Actual open pit earth moving activities were curtailed toward the end of July.

All operations were halted with the implementation of the temporary suspension of mining operations (TSMO) as announced on the 22 August 2018, within “Company Update”.

RESOURCE DEVELOPMENT UPDATE

Riverina

Following the completion of the resource definition diamond drilling phase at Riverina during the June 2018 quarter, work has commenced this period on geological, structural and mineralisation modelling. This process is the precursor to an upgrade of the existing Mineral Resource in accordance with the JORC Code 2012.

The Riverina Project area is located approximately 48 kilometres north of the Davyhurst Mill, and has a current Mineral Resource estimate of 2.6Mt @ 2.5g/t Au for 205,000 ounces. It is one of several high priority drilling targets within the Company’s Davyhurst Project and is seen as the next open pit mining focus following on from Siberia. Opportunities exist to expand and extend the known Resource into areas currently constrained by a lack of drilling coverage.

Waihi

The Waihi Complex is located approximately 3 km from the Davyhurst Mill and has been identified as an area containing significant potential to provide higher grade underground feed. Two holes were completed at Waihi during the period for 395.7m. Assays results are still pending for the eight diamond holes completed in 2018. An updated mineral resource estimate for Waihi will be scheduled once the final results are returned and interpreted from this drilling program.

Callion

Work continues on updating both the open pit and UG resource estimations.

EXPLORATION UPDATE

During the quarter the processing of core drilled in the previous quarter commenced. The Mystery core was geologically logged and is awaiting sampling. The remaining core from Menzies, Bombay and Golden Wonder has yet to be processed (See Figure 2). The related pre-collar RC assay results were received during the quarter with no results greater than 0.5g/t returned.

A prospectivity review of the Mt Ida southern tenements, Lady Ida southern tenements, as well as the main Federal Flag trend was also complete. This work included drill data review and drill planning and remains ongoing.

Prospect scale mapping and rock chip sampling was carried out at the Golden Horn prospect on E30/333 in preparation for future drilling.

Reconnaissance field work and an orientation XRF study was planned for numerous Lady Ida tenements, this work is scheduled for the December quarter.

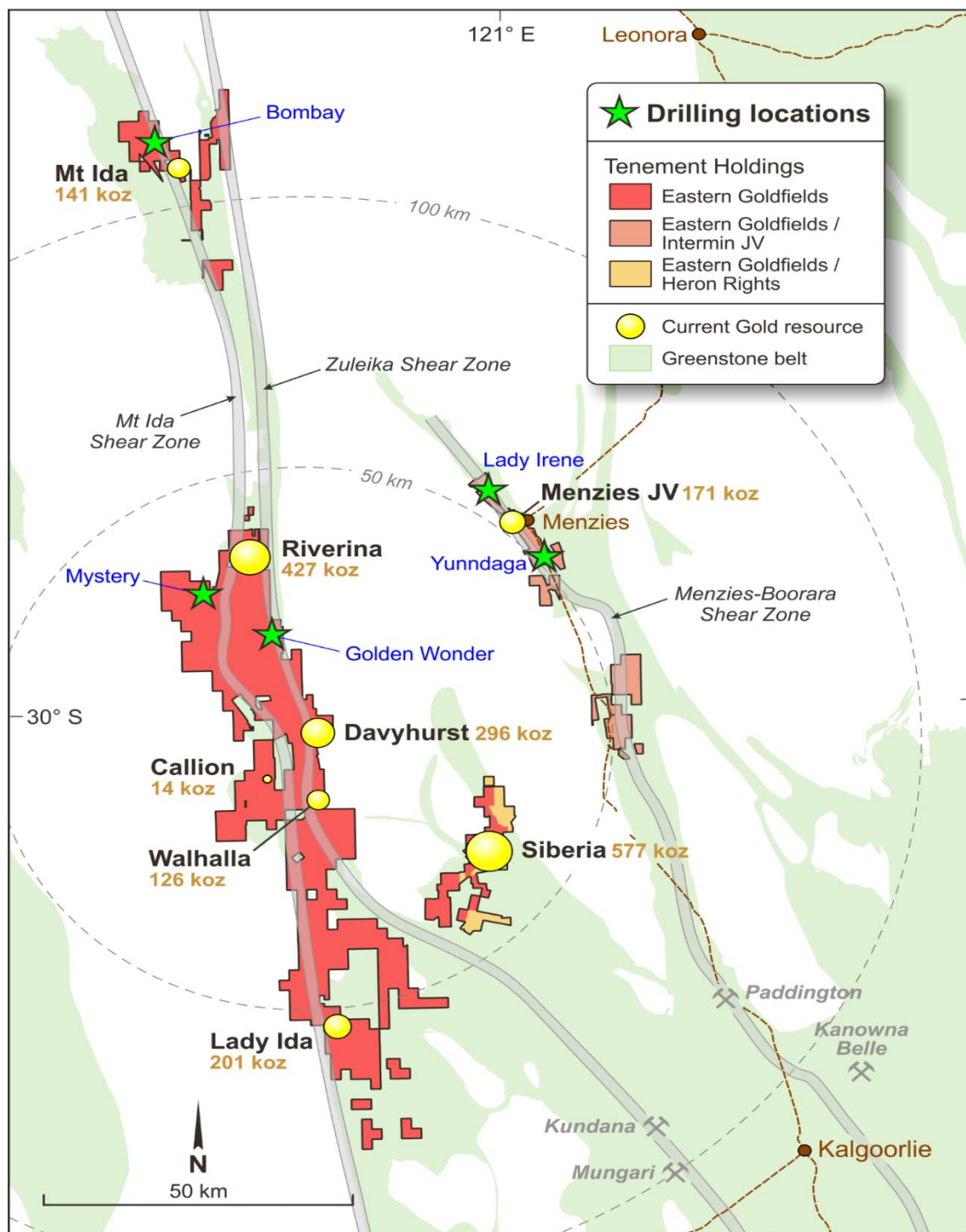


Figure 2: Tenement and Exploration Drilling Location Plan

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Enquiries

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Non-Executive Chairman

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Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled under the supervision of Mr Andrew Czerw, a permanent employee of Eastern Goldfields Limited, who is Member of the Australian Institute of Mining and Metallurgy. 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 Czerw 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 the Sand King, Missouri and Low Grade Stockpile Mineral Resources is based on information compiled under the supervision of Mr Michael Thomson, a former 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'. 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.

The information in this report that relates to Mineral Resources (with the exception of Sand King, Missouri and Low Grade Stockpile Mineral Resources) is based on information compiled under the supervision of Mr Michael Thomson, a former 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 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.

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 1: 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
SUNRAYSIA	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

Table 2: 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
E16/0337	Granted	16 - Coolgardie	100	100	
E16/0344	Granted	16 - Coolgardie	75	75	1
E16/0456	Granted	16 – Coolgardie	100	100	
E16/0473	Granted	16 – Coolgardie	100	100	
E16/0474	Granted	16 – Coolgardie	100	100	
E16/0475	Granted	16 – Coolgardie	100	100	
E16/0480	Granted	16 – Coolgardie	100	100	
E16/0482	Granted	16 – Coolgardie	100	100	
E16/0483	Granted	16 – Coolgardie	100	100	
E16/0484	Granted	16 – Coolgardie	100	100	
E16/0486	Granted	16 – Coolgardie	100	100	
E16/0487	Granted	16 – Coolgardie	100	100	
E24/0203	Granted	24 - Broad Arrow	100	100	
E29/0640	Granted	29 – North Coolgardie	100	100	2
E29/0641	Granted	29 – North Coolgardie	100	100	2
E29/0889	Granted	29 – North Coolgardie	100	100	4
E29/0895	Granted	29 – North Coolgardie	100	100	
E29/0955	Granted	29 – North Coolgardie	100	100	
E29/0964	Granted	29 – North Coolgardie	100	100	
E29/0966	Granted	29 – North Coolgardie	100	100	7
E29/0984	Granted	29 – North Coolgardie	100	100	7
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	100	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	
L16/0103	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	
L24/0232	Granted	24 – Broad Arrow	100	0	
L24/0233	Granted	24 – Broad Arrow	100	100	
L29/0042	Granted	29 – North Coolgardie	100	100	7
L29/0043	Granted	29 – North Coolgardie	100	100	7
L29/0044	Granted	29 – North Coolgardie	100	100	7
L29/0074	Granted	29 – North Coolgardie	100	100	
L29/0109	Granted	29 – North Coolgardie	100	100	7
L30/0035	Granted	30 – North Coolgardie	100	100	
L30/0037	Granted	30 – North Coolgardie	100	100	
L30/0066	Granted	30 – North Coolgardie	100	100	
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	
M24/0634	Granted	24 - Broad Arrow	100	100	4
M24/0660	Granted	24 - Broad Arrow	100	100	4
M24/0663	Granted	24 - Broad Arrow	100	100	4
M24/0664	Granted	24 - Broad Arrow	100	100	4
M24/0665	Granted	24 - Broad Arrow	100	100	6
M24/0683	Granted	24 - Broad Arrow	100	100	4
M24/0686	Granted	24 - Broad Arrow	100	100	4
M24/0757	Granted	24 - Broad Arrow	100	100	4
M24/0772	Granted	24 - Broad Arrow	100	100	4
M24/0797	Granted	24 - Broad Arrow	100	100	4
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
M24/0915	Granted	24 - Broad Arrow	100	100	4
M24/0916	Granted	24 - Broad Arrow	100	100	4
M24/0960	Granted	24 - Broad Arrow	100	100	
M29/0002	Granted	29 - North Coolgardie	100	100	2
M29/0014	Granted	29 - North Coolgardie	100	100	7
M29/0088	Granted	29 - North Coolgardie	100	100	7
M29/0153	Granted	29 - North Coolgardie	100	100	7
M29/0154	Granted	29 - North Coolgardie	100	100	7
M29/0165	Granted	29 - North Coolgardie	100	100	2
M29/0184	Granted	29 - North Coolgardie	100	100	7
M29/0212	Granted	29 - North Coolgardie	100	100	7
M29/0410	Granted	29 - North Coolgardie	100	100	7
M29/0420	Granted	29 - North Coolgardie	100	100	7
M29/0422	Granted	29 - North Coolgardie	100	100	2
M30/0102	Granted	30 - North Coolgardie	100	100	
M30/0103	Granted	30 - North Coolgardie	100	100	
M30/0111	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
M30/0133	Granted	30 - North Coolgardie	100	100	4
M30/0157	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	100	100	
M30/0255	Granted	30 - North Coolgardie	100	100	
M30/0256	Granted	30 - North Coolgardie	100	100	
P16/2921	Granted	16 - Coolgardie	100	100	
P16/2922	Granted	16 - Coolgardie	100	100	
P24/4395	Granted	24 - Broad Arrow	100	100	4
P24/4396	Granted	24 - Broad Arrow	100	100	4
P24/4400	Granted	24 - Broad Arrow	100	100	4
P24/4401	Granted	24 - Broad Arrow	100	100	4
P24/4402	Granted	24 - Broad Arrow	100	100	4
P24/4403	Granted	24 - Broad Arrow	100	100	4
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	
P29/2153	Granted	29 - North Coolgardie	100	100	7
P29/2154	Granted	29 - North Coolgardie	100	100	7
P29/2155	Granted	29 - North Coolgardie	100	100	7
P29/2156	Granted	29 - North Coolgardie	100	100	7
P29/2251	Granted	29 - North Coolgardie	100	100	7
P29/2252	Granted	29 - North Coolgardie	100	100	7
P29/2253	Granted	29 - North Coolgardie	100	100	7
P29/2254	Granted	29 - North Coolgardie	100	100	7
P29/2328	Granted	29 - North Coolgardie	100	100	2
P29/2344	Granted	29 - North Coolgardie	100	100	7
P29/2345	Granted	29 - North Coolgardie	100	100	7
P30/1107	Granted	30 - North Coolgardie	100	0	
P30/1108	Granted	30 - North Coolgardie	100	0	
P30/1109	Granted	30 - North Coolgardie	100	0	
P30/1110	Granted	30 - North Coolgardie	100	0	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 90% interest in all mineral rights barr nickel held by EGS

7 Interest being earned-in

Appendix 5B

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")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,926	5,926
1.2 Payments for		
(a) exploration & evaluation	(14)	(14)
(b) development	-	-
(c) production	(5,728)	(5,728)
(d) staff costs	(3,268)	(3,268)
(e) administration and corporate costs	(621)	(621)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(153)	(153)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 GST refund received / Other	2,079	2,079
1.9 Net cash from / (used in) operating activities	(1,779)	(1,779)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	2,389	2,389
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	2,389	2,389

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	750	750
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	750	750

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10	10
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,779)	(1,779)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,389	2,389
4.4	Net cash from / (used in) financing activities (item 3.10 above)	750	750

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period ⁽³⁾	1,370	1,370

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	1,370	10
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)	1,370	10

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
29

- Directors fees

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
13
-

All payments to related entities and associates are on normal commercial terms. The payments relate to management, staff, office and drilling expenses. Excludes amounts in Item 6 above.

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	20,000	9,543
8.2 Credit standby arrangements	15,000	12,583
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.		

Loan facilities: Hawkes Point, secured

Credit standby facilities: Investmet, Azurite Corporation Pty Ltd and other related entities, unsecured. Interest rate 3% above BBR whilst secured, 19% whilst unsecured.

The Company does not expect that it will drawn down any further funds under these facilities.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,800
9.2 Development	12,500
9.3 Production	8,000
9.4 Staff costs	2,000
9.5 Administration and corporate costs	9,000
9.6 Other (provide details if material)	500
9.7 Total estimated cash outflows	33,800

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	L24/232 P30/1107 P30/1108 P30/1109 P30/1110 P30/1116 P30/1117 P30/1118	Lapsed	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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.



31 OCTOBER 2018

Sign here:

Date:

(Director/Company secretary)

BRENDON MORTON

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. Cash and Cash Equivalents excludes market value of available for sale financial assets of \$1,556,820 as at 30 September 2018.
4. Cash receipts from customers excludes \$750k realised cash flow hedge gain.
5. 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.