

LOI COMPLEX DRILLING RESULTS CONFIRM MAKAI & GREAT OPHIR MINERALISATION

Highlights

- Results from Lights of Israel Complex confirm gold mineralisation at Makai and Great Ophir, enhancing underground mining opportunities
- LOI Complex located within 1 kilometre of the Davyhurst processing plant
- Significant new drilling results:
 - 5.5m @ 5.95g/t Au from 122.2m
 - 7.0m @ 4.05g/t Au from 218.0m, including 4.3m @ 5.90g/t Au
 - 7.0m @ 3.60g/t Au from 134.0m, including 2.1m @ 7.98g/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: 489m
Options: 50.2m
Current Share Price: \$0.52
Market Capitalisation:
\$254.55
Cash as at 30/6/2016:
\$15.5m

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Eastern Goldfields Limited (ASX:EGS) (**Eastern Goldfields** or the **Company**) is pleased to announce that exploration drilling at the Lights of Israel Complex (**LOI**) on the Makai and Great Ophir Lodes has returned significant gold intersections.

The LOI Complex is located within 1 kilometre of the Davyhurst processing plant (Figure 1). The deposit was first mined in 1906, the 1980's and again in the early 2000's. The LOI Complex contains three ore lodes, namely the LOI shoot, Makai shoot and Great Ophir shoot with mining extracting 4 million tonnes @ 3.1g/t Au for approximately 400,000 ounces of gold.

The LOI Complex was identified as a high priority exploration target by Eastern Goldfields' geologists as the mineralisation in all three lode surfaces remains open beyond existing drilling and significant underground infrastructure remains in place.

Executive Chairman Michael Fotios said:

"These results clearly confirm that the mineralisation at Makai and Great Ophir provide solid underground opportunities for the Company. With Makai now advanced to a mine ready stage, the Company's focus will shift to infill and extension drilling of the Great Ophir Lode. The geological modelling completed to date has also thrown up conceptual exploration targets capable of delivering new discoveries adjacent to the existing lodes."

A comprehensive review completed over the last 12 months, incorporating all existing drilling, underground sampling, geological mapping and structural data (Figure 4) resulted in a new geological and structural interpretation. The Company believes it now has a deep level of understanding of the controls on mineralisation for the LOI Complex. The focus of this recent drilling was to confirm historical results while also providing diamond core for geotechnical assessment. With this now completed, the Makai deposit will shortly be handed over for finalisation of the underground mine design.

At the Makai Deposit, LOID002 and LOID003 were successful in confirming the existing resource, while LOID004 was targeting extensions of the Makai Lode, down plunge to the north. As Figure 3 depicts, LOID002 and LOID003 were successful in intercepting mineralisation (**7.0m @ 3.60g/t Au** and **7.0m @ 4.05g/t Au**) while LOID004 returned limited mineralisation with 1.22m @ 1.20g/t Au.

A detailed inspection of the LOID004 core identified the expected biotite schist with quartz veining and sulphide alteration, but also of significance is the presence of a cross-cutting late stage fault with associated epidote alteration. Historically within the LOI underground mine, several of these cross faults existed and were characterised by the presence of epidote alteration. This epidote alteration is typically associated with significant but localised depletion of gold grade within 5-10 metres of the fault.

LOID001 is the first hole the Company has drilled into the Great Ophir Lodes, 200 metres west of the existing LOI underground decline, and has confirmed the potential with **5.5m @ 5.95g/t Au**. The current geological modelling has identified two lodes (footwall and hanging wall) that have potential to carry significant mineralisation, with the above intercept located in the footwall position. Further drilling is planned in the coming months.

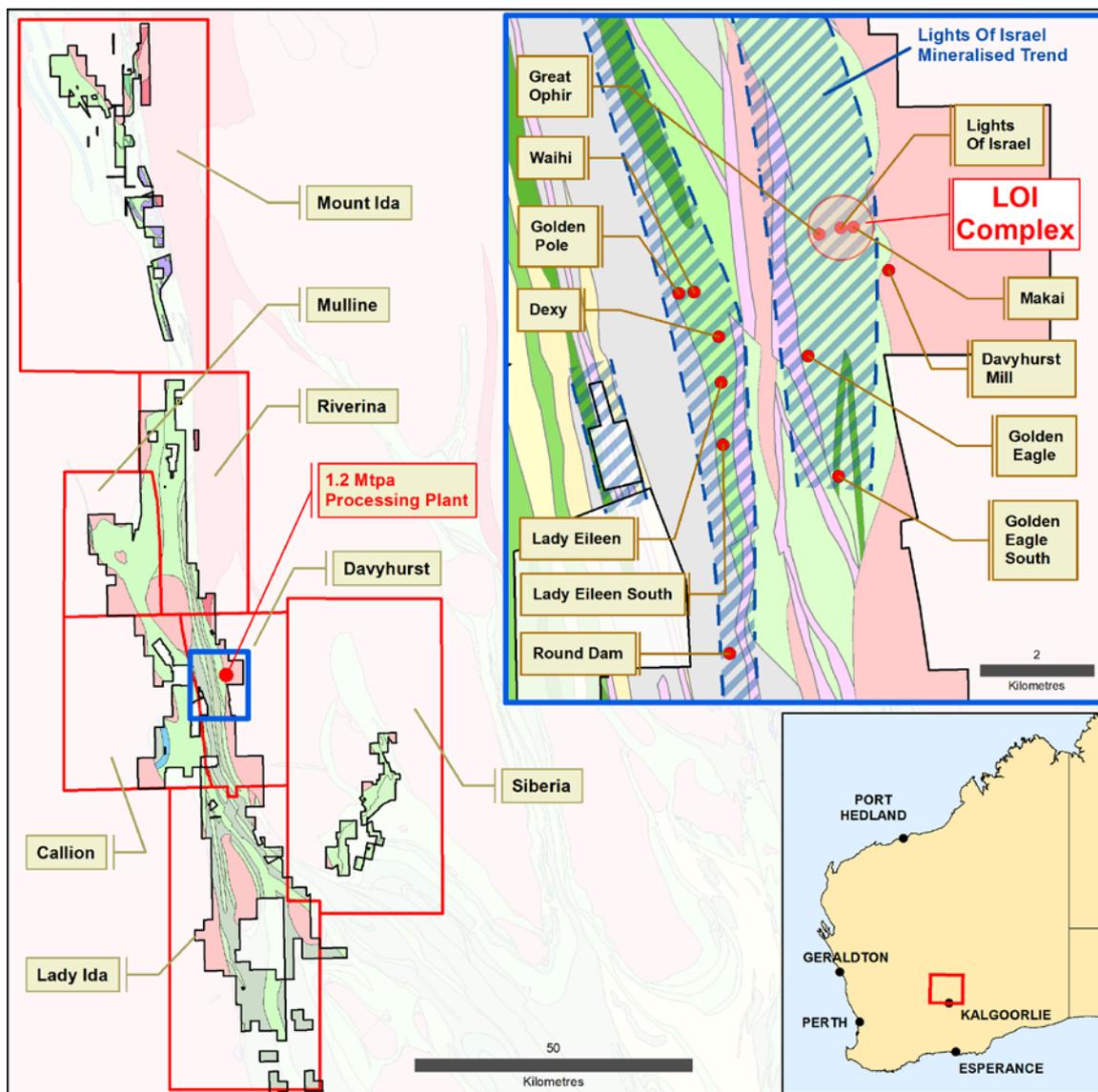


Figure 1: Location Plan

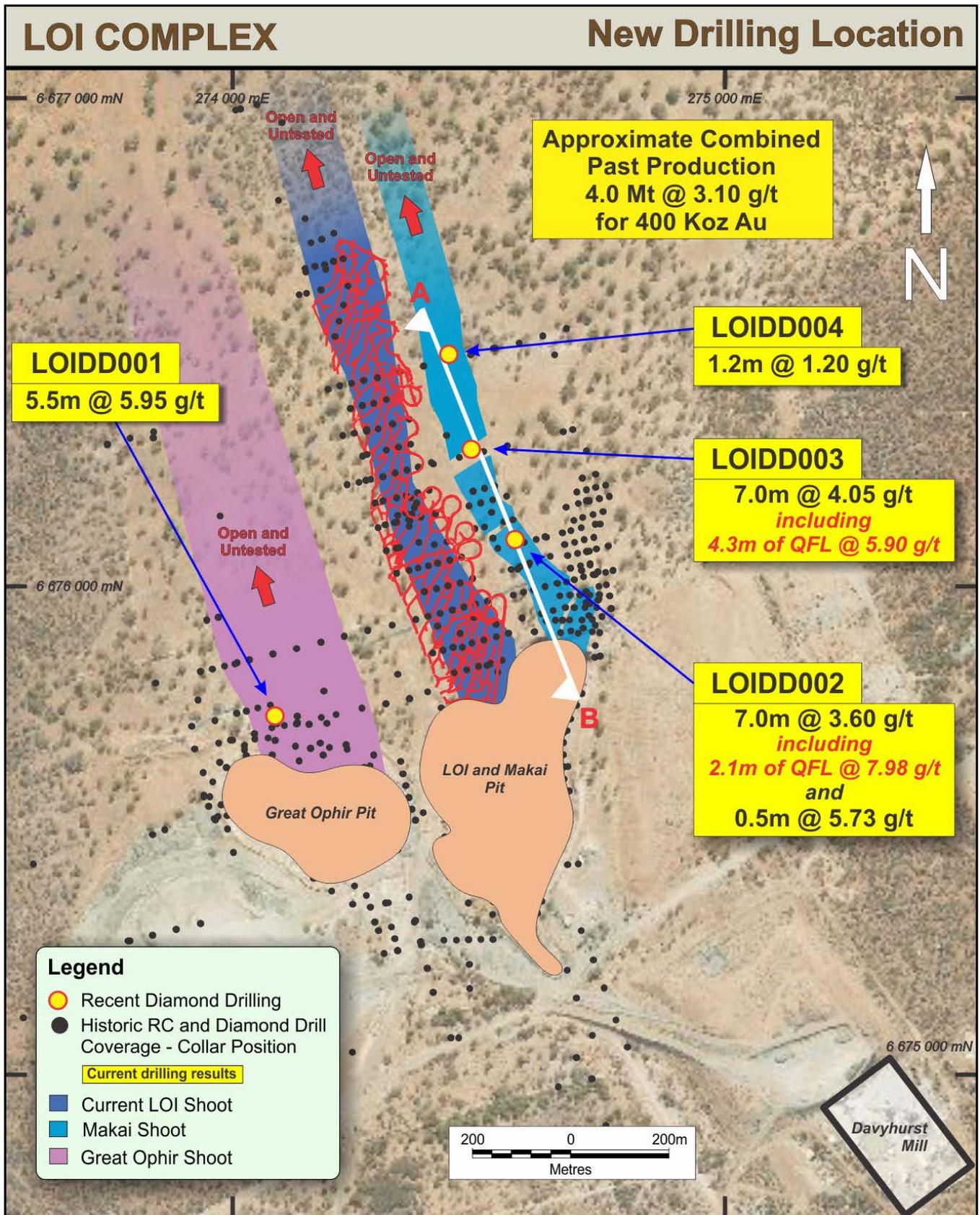


Figure 2: LOI Complex Plan (QFL – Quartz feldspar lode at base of LOI schist)

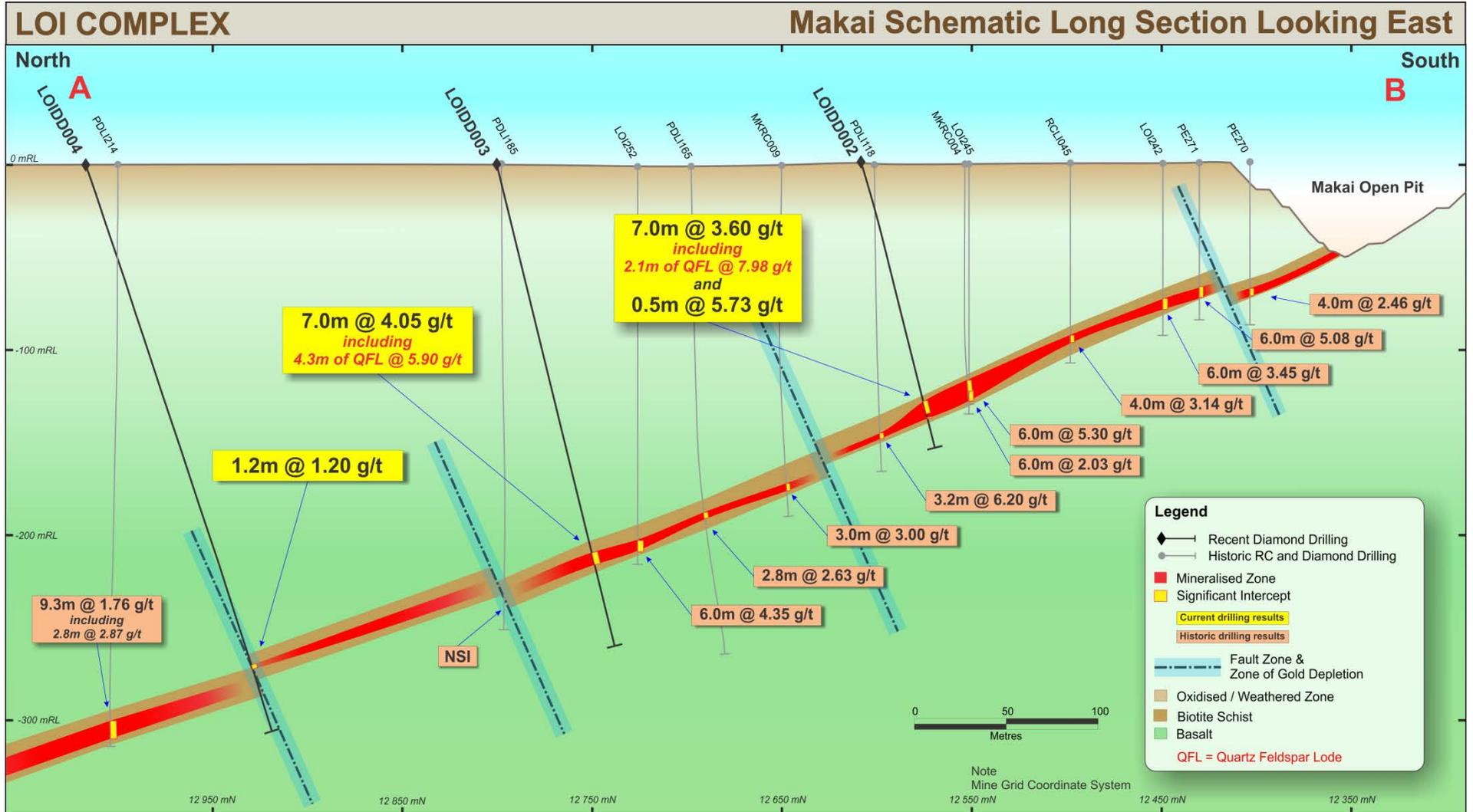


Figure 3: Makai Long Section

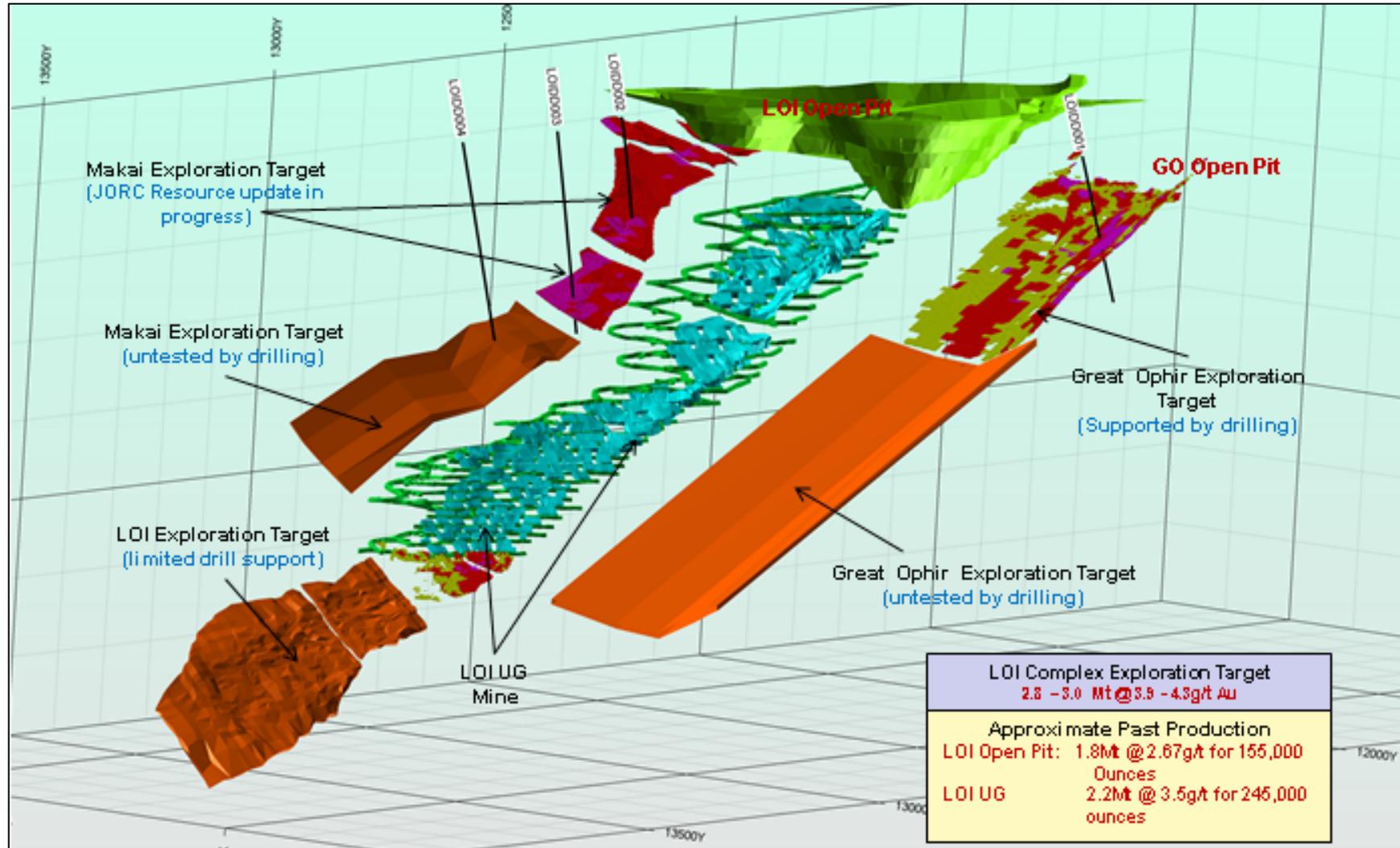


Figure 4: LOI Mine Complex -3D View (with Drilling)

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. Refer to following page for additional information.

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 drill hole 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 which is scheduled for completion in 2016. Samples will be submitted to accredited laboratories for gold assay (fire assay) with a full suite of QAQC samples (blanks, standards and field duplicates).

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Competent Person Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by 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.

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.

Appendix 1: Significant Intersections Table - pending results

Hole	MGA Northing	MGA Easting	MGA RL	MGA Azimuth	Dip	Max Depth	From	To	Interval (m)	Grade (g/t)	Company
LOIDD001	274082	6675718	452	256	-70	188	113.2	113.6	0.5	1.01	EGS
						and	122.2	127.7	5.5	5.95	
						and	164.5	166.0	1.5	1.44	
LOIDD002	274558	6676080	453	166	-75	160	134.0	141.0	7.0	3.60	EGS
						including	138.9	141.0	2.1	7.98	
						and	143.1	143.6	0.5	5.73	
LOIDD003	274473	6676260	452	166	-70	241	218.0	225.0	7.0	4.05	EGS
						including	220.0	224.3	4.3	5.90	
LOIDD004	6676459	274423	450	166	-70	300	265.4	266.62	1.22	1.20	EGS
LOI252	6676184	274495	452	0	-90	215	202.0	208.0	6.0	4.35	DPPL
						including	204.0	208.0	4.0	5.94	
PDLI165	6676160	274512	453	0	-90	265	187.5	190.3	2.8	2.63	ABERFOYLE
MKRC009	6676115	274534	453	25	-90	190	173.0	176.0	3.0	3.00	CROESUS
PDLI118	6676067	274551	453	0	-90	166	145.0	148.2	3.2	6.20	ABERFOYLE
MKRC004	6676030	274586	454	225	-90	130	117.0	123.0	6.0	5.30	CROESUS
LOI245	6676027	274585	454	0	-90	135	122.0	128.0	6.0	2.03	DPPL
LOI242	6675934	274635	454	0	-90	93	73.0	79.0	6.0	3.45	DPPL
PE271	6675913	274639	455	0	-90	85	67.0	73.0	6.0	5.08	BARDOC
PE270	6675888	274649	455	0	-90	88	70.0	74.0	4.0	2.46	BARDOC
RCLI045	6675982	274618	454	0	-90	108	93.0	97.0	4.0	3.14	ABERFOYLE
PDLI185	6676253	274468	454	0	-90	256	NSI				ABERFOYLE
PDLI214	6676450	274415	451	0	-90	295	277.5	286.8	9.3	1.76	ABERFOYLE
						Including	283.5	286.3	2.8	2.87	

No upper cut applied significant intersections greater than 1g/t with 2m maximum internal waste. EGS drilling - 50g Fire assay with AAS finish on half diamond core, Coordinates in MGA94 zone 51

JORC CODE, 2012 EDITION – TABLE 1 REPORT TEMPLATE

Section 1 Sampling Techniques and Data

Information for historical (Pre Eastern Goldfields Limited from 1996 and 2001) drilling and sampling has been extensively viewed and validated where possible. Information pertaining to historical QAQC procedures and data is incomplete but of a sufficient quality and detail to allow drilling and assay data to be used for resource estimations. Further, Eastern Goldfields Limited has undertaken extensive infill and confirmation drilling which confirm historical drill results. Sections 1 and 2 describe the work undertaken by Eastern Goldfields Limited and only refer to historical information where appropriate and/or available.

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Aberfoyle/Bardoc - RC and RAB sampling methods generally unknown however usually collected as 1m samples and composited to 2 to 4m samples when outside mineralised zones. Pre-1990 RAB holes generally sampled on 2-3m intervals and composited to 6m. Samples sent to accredited laboratories for drying, crushing and pulverising. Usually 50g fire assay for RC samples and aqua regia or 50g fire assay for RAB samples. Consolidated Gold (Cons Gold) – RC 1m samples where alteration is visible. Remainder of hole composited to 4m. 2 to 3 kg samples, including core, sent to laboratory for crushing, pulverising and 50g Fire Assay. Croesus – RC 1m samples collected under cyclone. 5m comps assayed for gold by 50g Fire assay. NQ diamond except for geotechnical purposes (HQ triple). Davyhurst Project Pty. Ltd (DPPL) - 4.25 to 5.5 inch RC drilling with face hammer. Potential mineralisation sampled and assayed on a metre basis otherwise 4m composites. Samples jaw crushed and pulverised before taking a 50gm charge for fire assay. Eastern Goldfields Limited (EGL) –Half core sample intervals selected by geologist and defined by geological boundaries. Samples are crushed, pulverized and a 50g charge is analysed by Fire Assay.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Aberfoyle/Bardoc - RC, RAB and Diamond details unknown however NQ diamond known to be used. RC drilling between 4 and 6 inch diameter with use of face sampling hammer known from 1992 onwards. Cons Gold – NQ diamond and HQ (triple) for geotechnical holes. RAB and RC. 4.25 to 5.5 inch RC drilling with stabilisers and face sampling hammers. Croesus – Diamond holes NQ2 diameter. RC and RAB details unknown but assumed to be industry standard at the time being 5.5 inch face sampling hammers and 4 inch diameter respectively. DPPL - NQ core and HQ for geotechnical holes. RC drilling with stabilisers and face sampling hammers. EGL- HQ3 coring to approx. 40m, then NQ2 to BOH. All core oriented by spear and/or reflex instrument.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and 	<ul style="list-style-type: none"> RC drill recoveries were not recorded by Aberfoyle/Bardoc, Consolidated Gold, Croesus, DPPL or EGL EGL - Diamond drill recoveries are recorded as a percentage calculated from measured core against downhole drilled intervals (core blocks). It is unknown whether a relationship exists between sample recovery and grade or whether sample bias may have occurred.

Criteria	JORC Code explanation	Commentary
	<p><i>grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	
<p>Logging</p>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Aberfoyle/Bardoc - Qualitative: lithology, colour, grainsize, structures, alteration. Quantitative: Quartz mineralisation • Cons Gold/ DPPL - Qualitative: lithology, colour, oxidation, alteration, with grainsize, texture and structure often recorded in diamond drilling. Quantitative: Quartz veining. Core photographed. Logging entered directly into HPLX200 data loggers. • Croesus - Most holes photographed, geologically logged and geotechnical and magnetic susceptibility measurements were taken. Qualitative: Lithology, colour, grainsize, alteration, oxidation, texture, structures, regolith. Quantitative: Quartz veining • EGL - Qualitative: Lithology, colour, oxidation, grainsize, texture, structure, hardness, regolith. Quantitative: estimates are made of quartz veining, sulphide and alteration percentages. Core photographed
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Aberfoyle/Bardoc – Diamond core sawn in half. RC and RAB samples with variable compositing lengths and often 1m samples. Method unknown before 1992, but thereafter riffle split to approximately 2kg samples. RC and RAB were usually prepared by single stage mixer and grind. Diamond, when known was jaw crushed and ring milled for a 50g charge fire assay. Sample duplicate studies undertaken at times, usually with good correlation • Cons Gold - RC Samples collected via cyclone at 1m intervals and passed through 3 stage riffle splitter. A 2-3kg fraction was calico bagged for analysis, the residue collected in plastic bags and stored on site. Potentially mineralised zones were sampled at 1m intervals, the remainder composited to 4m by unknown method. Composite samples returning >0.19g/t were re submitted at 1m intervals. Samples underwent mixermill preparation (2-3kg) by Amdel Laboratories. RAB 4m composite samples using PVC spear. Samples returning >0.19g/t were re submitted at 1m intervals. Diamond drill samples were sawn into half core. One half was jaw crushed, then pulverised using a labtechnics mill. A quartz blank was pulverised between each sample to avoid contamination. Field duplicates from residues at 1 in 20 frequency submitted. • Croesus RC/RAB - 1m samples collected under cyclone. 5m comps, spear sampled with 50mm PVC pipe. Wet RC drill samples were thoroughly mixed in the sample retention bag and scoop sampled to form a composite sample. 3-5kg five metre composite analytical samples, returning values greater than 0.1g/t gold, were riffle split at 1m intervals, were samples where dry, and grab sampled where wet. RAB 1m resampling method unknown. Samples were dried, crushed and split to obtain a sample less than 3.5kg, and then fine pulverised prior to a 50gm charge being collected and analysed. Every 20th sample was duplicated in the field and submitted for analysis. Diamond tails were cut to half core and sampled based on geological boundaries and identified prospective zones. Samples size varied from 0.2m to 1m. Core samples were sent to Ultratrace Laboratories of Perth • DPPL – RC 3 stage riffle split then 4m compositing. RAB 4m composites sampled using PVC spear. Both RC and RAB composites returning >0.19ppm Au re-submitted as 1m samples. Field duplicates from residues at 1 in 20 frequency submitted. • EGL – Core was cut with diamond saw and half core sampled. All mineralized zones are sampled, including portions of visibly un-mineralised hanging wall and footwall zones. Sample weights range from >1kg to 3.5kg. Samples weighed by laboratory, dried, crushed and split to <3kg if necessary and pulverized.
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether</i> 	<ul style="list-style-type: none"> • Aberfoyle/Bardoc – multiple analysis methods at Sheen, Amdel, Genalysis, Classic, Comlabs and Australian Laboratories. Usually 50g fire assay for RC and aqua regia or 50g fire assay for RAB. Quality control procedures unknown. • Cons Gold/DPPL – RC and RAB - Mixermill prep with fire assay 50g charge at AMDEL, Minilab or Analabs Laboratories in Kalgoorlie. Half core was diamond sawn, jaw crushed, milled using LABTECHNICS mill at AMDEL for 50g charge by fire assay. Gannet standards submitted to monitor lab accuracy for infill resource drilling. Pulp umpire analysis was done but frequency unknown (1995). Screen fire assays of selected high grade samples. Quartz blanks submitted between each diamond sample

Criteria	JORC Code explanation	Commentary
	<i>acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<ul style="list-style-type: none"> • Croesus - Samples analysed for Au by Fire Assay/ICPOES by Ultratrace in Perth. Gannet standards and blank samples made by Croesus were submitted with split sample submissions. QAQC analysis of repeats was analysed by Croesus Mining NL for their drilling completed during 2000. • EGL - Swan Gold samples sent to Intertek. The samples have been analysed by firing a 50gm portion of the sample. Lower sample weights may be employed for samples with very high sulphide and metal contents. This is the classical fire assay process and will give total separation of gold. An ICPOES finish was used. Commercially prepared standard samples and blanks are inserted in the sample stream at a rate of 1:10. Sizing results (percentage of pulverised sample passing a 75µm mesh) are undertaken on approximately 1 in 40 samples. The accuracy (standards) and precision (repeats) of assaying are acceptable. • Fire Assay is considered a total technique, aqua regia is considered a partial technique.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • EGL geologists have viewed selected diamond holes from certain deposits and verified the location of mineralised intervals. • EGL - Geological and sample data logged directly into field computer at the core yard using Field Marshall. Data is transferred to Perth via email and imported into Geobank SQL database by the database administrator (DBA). Assay files are received in .csv format and loaded directly into the database by the DBA. Hardcopy and/or digital copies of data are kept for reference if necessary. • Holes have not been planned to specifically twin historic intercepts. • No adjustments are made to any assay data. First gold assay is utilised for any reporting. • Data entry, verification and storage protocols for remaining operators is unknown.
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • RAB and AC holes are/were not routinely collar surveyed or down-hole surveyed due to their limited use in resource estimation. To this end, discussion of RAB and AC drilling is omitted from this section. RC/GC (grade control) and shallow RC holes are/were not routinely down-hole surveyed due to their shallow nature reducing the chance of significant deviation. Barren exploration RC holes not routinely down-hole surveyed or collar surveyed. DD holes routinely collar and down-hole surveyed by most operators or have been re-surveyed by subsequent operators. • The influence of magnetic rocks on the azimuths of magnetic down-hole surveys is minor. Early holes surveyed in AMG zone 51 and converted to MGA using Geobank and or Datashed data management software. • Aberfoyle Bardoc (RC, RC/DD, DD) Various local grids which have undergone 2 point transformations. RC collars and down-hole surveys known to be surveyed at times, presumably when intersected anomalous gold. DD holes down-hole surveyed by Eastman single shot or Multishot • Cons Gold/DPPL (RC, DD) Local grids and AMG84 zone 51 used. RC and DD Collars surveyed by licensed surveyors to respective grids. Holes of all types routinely collar surveyed whilst RC resource holes routinely down-hole surveyed by various methods. • Croesus (RC, DD) Various local grids and AMG zone 51. RC, DD holes routinely collar surveyed and down-hole surveyed using Electronic Multishot (EMS) • EGL (DD) MGA95, zone 51. Drill hole collar positions are picked up using a Trimble DGPS subsequent to drilling. Drill-hole, down-hole surveys are recorded every 30m using a reflex digital down-hole camera.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Drill hole spacing is adequate to establish geological and grade continuity for the Lights of Israel Complex which has a JORC (2004) compliant reported resource. • Sample compositing has only been undertaken for resource modelling purposes. • Drill intercepts are length weighted, 1g/t lower cut-off, not top-cut, maximum 2m internal dilution.
Orientation of data in relation to	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> 	<ul style="list-style-type: none"> • At Lights of Israel and Great Ophir historic surface holes were generally vertical. All current drilling is inclined at -70o to -75o on order to obtain oriented core. Azimuths and inclinations were determined to achieve optimum intersection with the mineralised lode.

Criteria	JORC Code explanation	Commentary
geological structure	<ul style="list-style-type: none"> If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> It is unknown whether the orientation of sampling achieves unbiased sampling, though it is considered unlikely.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Unknown for most operators. Cons Gold – RC residues stored onsite. EGL – Samples are bagged, tied and placed in a secure yard. Once submitted to the laboratories they are stored in cages within a secure fenced compound. Samples are tracked through the laboratory via their LIMS.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits of sampling techniques has been done.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> All current drilling by EGL is located on tenement M30/73. M30/73 is held by Carnegie Gold PTY LTD, a wholly owned subsidiary of Eastern Goldfields LTD. (EGL) The tenement is not subject to joint ventures, partnerships or royalties. There are no known heritage or native title issues. There are no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The LOI deposit was discovered sometime prior to 1906 and was worked underground between 1906 and 1913. Open pit mining commenced in January 1988 by Aberfoyle Ltd initially in a JV and later through a wholly owned subsidiary Bardoc Gold Pty Ltd. Mining was conducted in two phases, 1988-990 and 1993-1994. In late 1994 a decline was established to assess the down plunge continuation of the ore below the open pit. A trial mining episode was carried out in 1995, followed by the decision in early 1996 to proceed with an underground operation. In 1996 Consolidated Gold (Consgold) acquired all interests of Bardoc Gold, including the LOI deposit form Aberfoyle. Underground mining continued until February 1999 when Consgold was placed in administration. In January 2001 Croesus purchased the Davyhurst assets from the receiver and commenced mining the Giles deposit in March 2001. A JV was reached with Croesus and Barminto to mine the LOI deposit in June 2002 with production continuing until August 2004. All companies listed conducted multiple drilling programs and produced several reports on the deposit in their time.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The LOI & Makai Deposits are hosted within approximate 30-50 metres wide biotite schist that frequently contains a silica dominant Quartz-feldspar lode (QFL) situated near the base of the schist. Historically this biotite schist has been defined as metamorphosed inter-flow laminated meta-sediment of siliceous, calc-silicate and pelitic compositions (Amdel may 1993) while the QFL is interpreted to originally have been a laminated silica rich sediment, although this assessment has been made on overall composition as no relict features remain. The surrounded rocks are predominately high-mag basalt that along with the interflow sediment have undergone

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		<p>Amphibolite grade metamorphism. These units are bound to the east and west by large scale faults.</p> <ul style="list-style-type: none"> • These deposits appear to have formed along the intersection of the biotite schist and a shallow NE dipping fault with the development of plunging shoots of (-200 -> 3570) within the biotite schist (Figure2). To date 3 NE dipping faults have been identified that dip at approximately -26o to 0400 and are consistently identifiable as they have been intruded by felsic porphyries (LOI Footwall Porphyry, Makai Porphyry and the Hangingwall Porphyry).
<p>Drill hole Information</p>	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> • Refer to Appendix 1 for additional information.
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • No upper cut applied to reported results, significant intersections are reported as weighted averages, greater than 1g/t, 2m maximum internal waste, • The mineralisation in the Lights of Israel Complex is hosted by broad biotite schist with a high grade Quartz Feldspar Lode (QFL) located at the base of the schist. When present the QFL has been used to define the edge of high grade mineralised intercepts, where done this is clearly labelled.
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • All intercept lengths reported are downhole lengths, not true widths. • The majority of the reported historical drilling has been carried out vertically (-90), with a shallow plunging mineralisation this results in intersection angles of between 70-80 degrees, as such slightly wider than true width (10-20%) • EGS drilling has been inclined to intercept the mineralisation at as close to 90 degrees as possible and as such can be considered true width.
<p>Diagrams</p>	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • Refer to above diagrams
<p>Balanced reporting</p>	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading 	<ul style="list-style-type: none"> • The LOI Complex has undergone significant drilling over the years and as such reporting of all results is not practicable. Results that have been deemed to have no influence on the new EGS results have been reported in this announcement to

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	<i>reporting of Exploration Results.</i>	ensure representivity of the results.
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> All exploration data believed to be meaningful and material to this release has been included
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Additional work is planned at both the Makai and Great Ophir lodes, as mentioned in the text of this announcement. Mine design at Makai and further drilling at Great Ophir