

Commitment for \$25 million Debt Funding Secured

Highlights

- **Commitment Letter received from the Credit Committee of Investec for debt facilities totalling A\$25m plus a gold hedging facility for 40,000 oz.**
- **Company is fully funded to gold production in first quarter of 2017**

Eastern Goldfields Limited (ASX:EGS) (**Company** or **Eastern Goldfields**) is pleased to advise that it has been notified by its debt providers, Investec Australia Limited (**Investec**), that Credit Committee approval has been granted for debt facilities totalling A\$25 million (**Credit Approved Facilities**).

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 in the discretion of the Company.

The Credit Approved Facilities will be utilised to complete the refurbishment of the Davyhurst Processing Plant and to provide working capital through to commencement of gold production in the first quarter of 2017 and associated ramp-up of gold production.

The RLF is subject to the following conditions precedent:

- Completion of legal documentation;
- Confirmation of a committed A\$10m standby facility by Investmet Limited (a company controlled by Michael Fotios, Executive Chairman of Eastern Goldfields);
- Satisfactory review of various technical matters in respect of the Davyhurst Gold Project;
- Issue of two equal tranches of call options to Investec. The options will be exercisable at a 25% premium to the volume weighted average price (**VWAP**) of the Company's share price 11 days prior to the commitment letter date for the first tranche and the date that the aggregate amount drawn under the RLF exceeds \$5 million for the second tranche. Each tranche of call options (when exercised) are to be of sufficient number to repay up to \$2.5m of the RLF; and
- Other conditions precedent for typical facilities of the nature of the Credit Approved Facilities.

BOARD OF DIRECTORS

Mr Michael Fotios
Executive Chairman

Mr Craig Readhead
Non-Executive Director

Mr Alan Still
Non-Executive Director

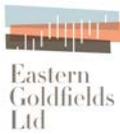
Ms Shannon Coates
Company Secretary

ISSUED CAPITAL

Shares: 493m
Options: 46.6m
Current Share Price: \$0.205
Market Capitalisation: \$100m
Cash as at 30/9/2016: \$5.5m

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Eastern Goldfields is well advanced in satisfying the conditions precedent and expects the RLF to become unconditional and for first draw-down on the \$15m RLF within the next 7 days. The Company will advise the market when this has been completed.

The Company does not presently intend to draw down on the ELF.

The Company will implement the mandatory portion of the Hedging Program.

Eastern Goldfields Executive Chairman, Michael Fotios said:

“We are pleased to have the support of a high quality finance partner in Investec. This \$25 million debt finance commitment means that we are now fully-funded to complete refurbishment of the Davyhurst processing plant and are firmly focused on producing first gold in Q1 2017. Refurbishment works are well advanced with more than 100 contractors mobilised on site to accelerate the construction schedule in readiness for the commencement of mining in January and subsequent commissioning of the plant.”

Investor Enquiries

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