

## INITIAL DRILL RESULTS DEFINE POTENTIAL AT WALHALLA NORTH PROSPECT

### HIGHLIGHTS

- Gold results from drilling at Walhalla North located 12 kilometres south of the Dexy prospect along the Round Dam trend (Figure 1), confirm significant mineralisation adjacent to historic high grade drill intercepts (Figure 3)
- Significant new drilling results include:
  - 7.00m @ 3.70g/t Au from 98.00m
  - 2.00m @ 5.74g/t Au from 15.00m
  - 3.00m @ 3.29g/t Au from 44.00m
  - 3.00m @ 3.26g/t Au from 87.00m
- These assays follow from recent Reverse Circulation (RC) results at the Dexy prospect (see ASX announcement dated 26 May 2016) and confirm the prospectivity of the Round Dam trend including the Waihi Lode Complex.

#### 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: 50m  
Current Share Price: \$0.385  
Market Capitalisation:  
\$188.5m  
Cash as at 31/3/2016:  
\$19.6m

Eastern Goldfields Limited (ASX:EGS) (**Eastern Goldfields** or the **Company**) is pleased to announce that Reverse Circulation drilling on the Walhalla North Prospect (**WNP**) at Davyhurst in Western Australia has returned encouraging results.

The WNP is approximately 14 kilometres south of the Company's 1.2Mtpa processing plant. A project review of the Round Dam mineralised trend identified the potential source for shallow oxide resources at this location, in the area between the Walhalla and Federal Flag pits. **Of particular interest was historical drilling results including 8m @ 17.14g/t, 8m @ 14.64g/t and 4m @ 20.53g/t within the WNP.**

The WNP is situated midway between the Federal Flag and Walhalla open pits which are 1.1 kilometres apart. Walhalla and Federal Flag deposits were both mined in 2007 and 2008 as part of the greater Davyhurst Project.

The current drill program was designed to:

- assist in the development of structural and geological models for the WNP, primarily aided by diamond drilling;
- confirm the location and tenor of the existing drilling via a twin hole; and
- provide additional data required to validate a Mineral Resource estimate.

Executive Chairman Michael Fotios said:

*"This area is considered highly prospective and is one of a number of similarly advanced high priority prospects that are identifiable within the existing and extensive drilling database. We will now aim to extract additional value from this prospect by drilling step-out holes along strike and down dip. These results will bring us back to this prospect in the near future."*

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The WNP mineralisation has been defined over a strike length of greater than 200 metres, while the structure itself remains open to the north, south and down dip. Further infill and extensional drilling is planned, which will be used to determine a maiden Mineral Resource estimation. Assay results from sampling of diamond drill holes at WNP are awaited.

Within the Round Dam trend the dominant rock types are fine grained basalt, high magnesium basalt, dolerite, ultramafics, sediments and volcanoclastics. Mineralisation at WNP is hosted by talc-chlorite mafic schist. The schist unit is surrounded by moderately massive tholeiitic basalt intercalated with thin dolerite and high magnesium basalt units. The schist is typically between 10 to 20 metres thick and has a strongly developed shear fabric. The schist lies between basaltic units to the west and sedimentary and volcanoclastic units to the east. Mineralisation favours the mafic units.

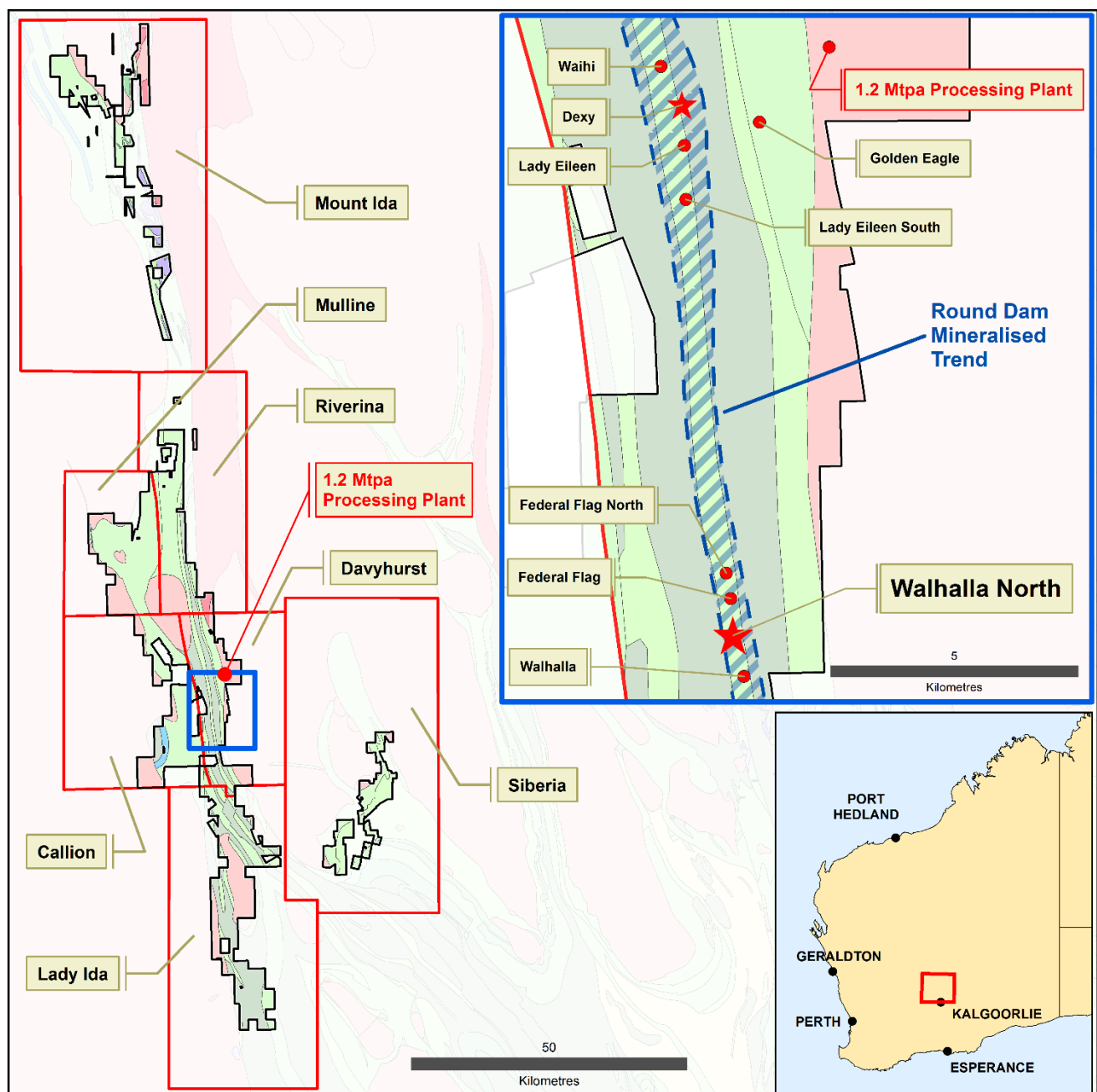


Figure 1: Project Location Plan.

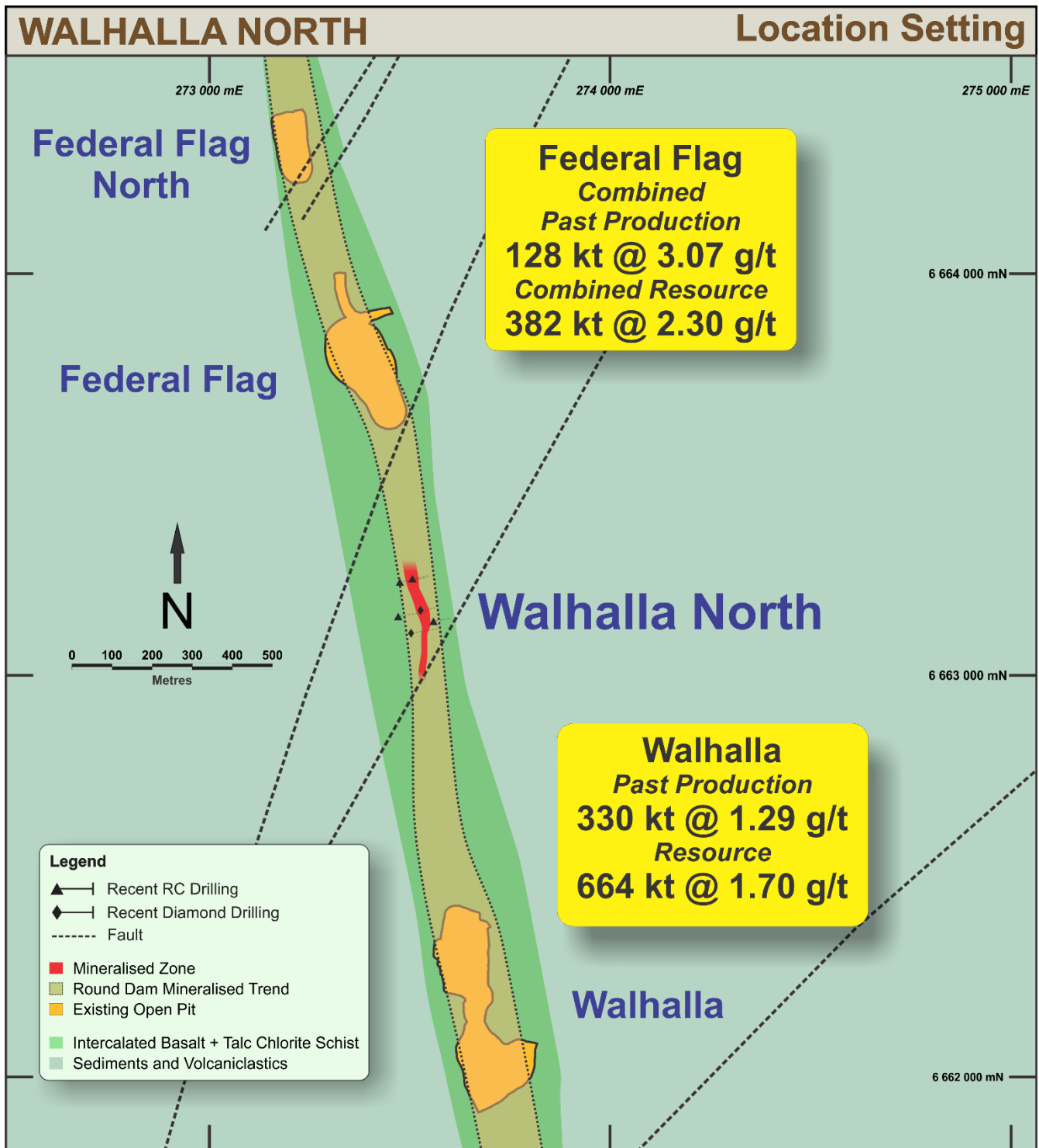


Figure 2: Location Setting, plan view - showing WNP in relation to the Round Dam mineralised trend.

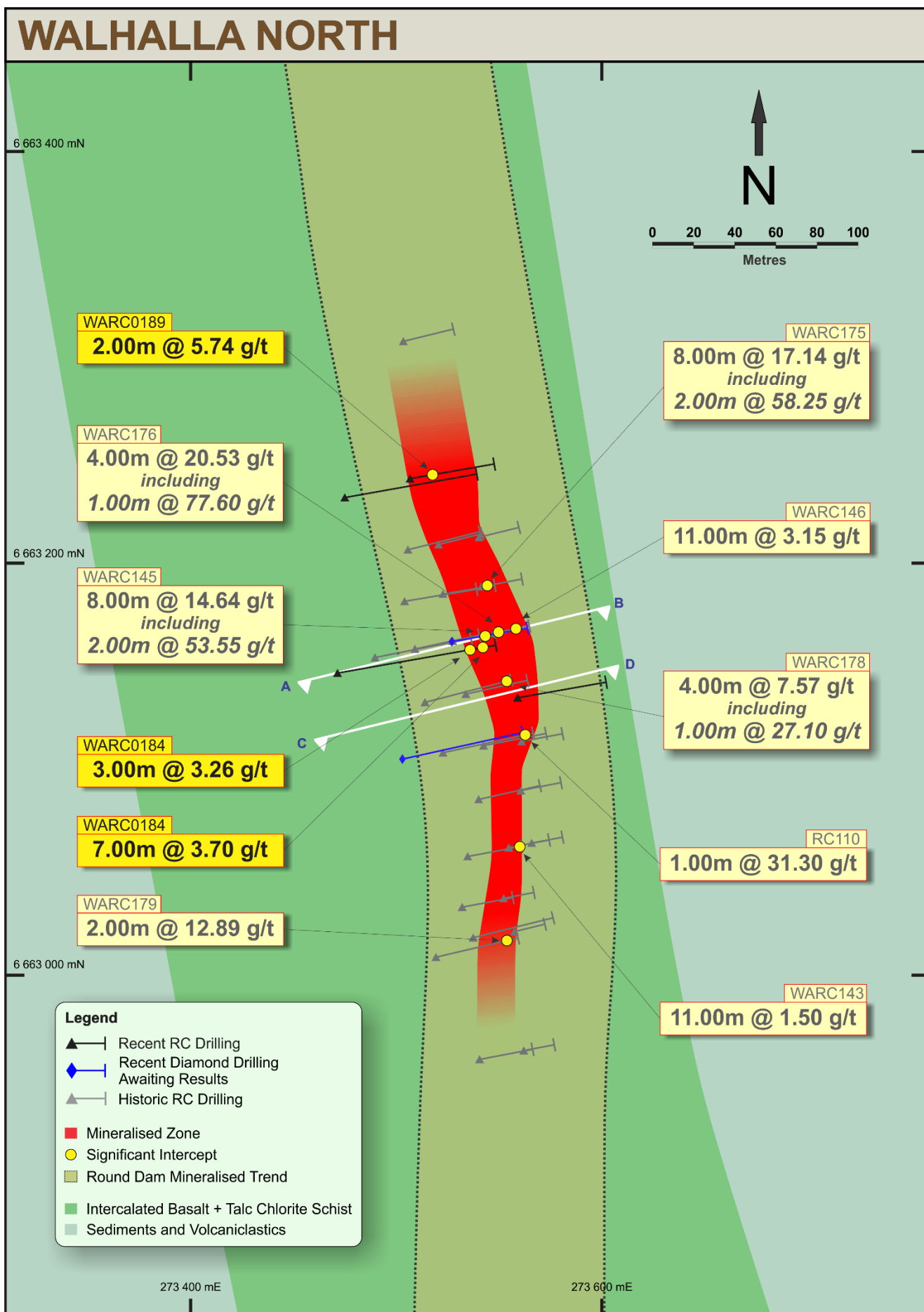


Figure 3: Plan View – drill hole location plan.

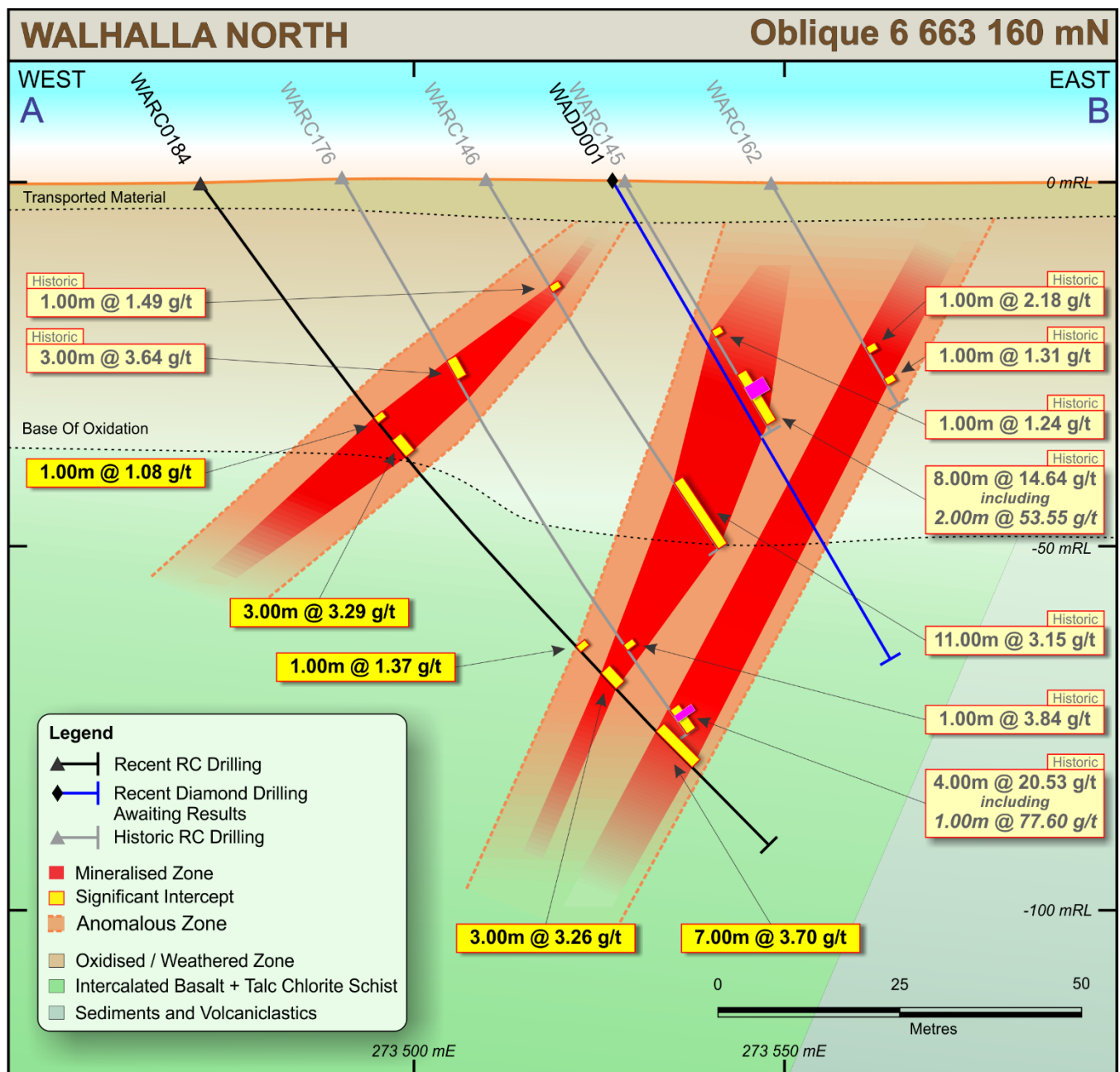


Figure 4: Cross section A-B.

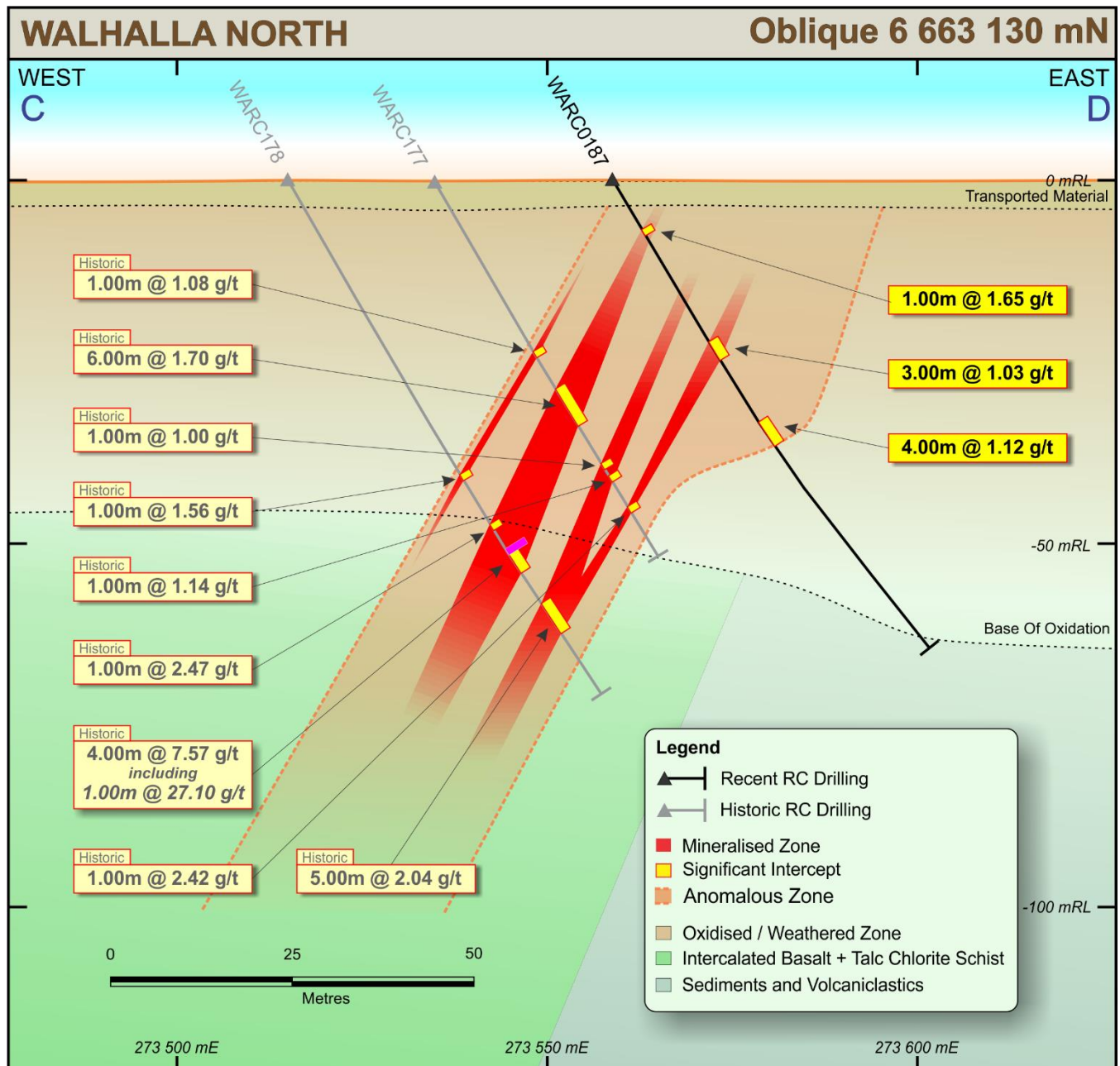


Figure 5: Cross section C-D.

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### ***Competent Person Statement***

The information in this report that relates to Exploration Results 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.

The information in this announcement that relates to Mineral Resources is based on, and fairly represents, information and supporting documentation compiled by or under the supervision of Mr Michael Thomson, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy, a 'Recognised Professional Organisation' ('RPO') included in a list that is posted on the ASX website from time to time. 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 and 2012 Editions of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Eastern Goldfields Limited confirms that it is not aware of any new information or data that materially affects the information included in the original market 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. Eastern Goldfields Limited confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. 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.

## Appendix 1: Significant Intersections Table

WALHALLA NORTH PROSPECT SIGNIFICANT INTERCEPTS											
Hole ID	Easting	Northing	RL	Dip	Azimuth	Total Depth (m)	From	To	Interval m	Grade g/t	Comments
WARC0184	273471	6663147	452	-55	80	120	40.00	41.00	1.00	1.08	EGS Drilling (New)
WARC0184	273471	6663147	452	-55	80	120	44.00	47.00	3.00	3.29	EGS Drilling (New)
WARC0184	273471	6663147	452	-55	80	120	82.00	83.00	1.00	1.37	EGS Drilling (New)
WARC0184	273471	6663147	452	-55	80	120	87.00	90.00	3.00	3.26	EGS Drilling (New)
WARC0184	273471	6663147	452	-55	80	120	98.00	105.00	7.00	3.70	EGS Drilling (New)
WARC0188	273475	6663232	451	-60	80	111	49.00	50.00	1.00	7.70	EGS Drilling (New)
WARC0188	273475	6663232	451	-60	80	111	53.00	54.00	1.00	1.80	EGS Drilling (New)
WARC0188	273475	6663232	451	-60	80	111	58.00	60.00	2.00	2.35	EGS Drilling (New)
WARC0188	273475	6663232	451	-60	80	111	77.00	78.00	1.00	1.22	EGS Drilling (New)
WARC0188	273475	6663232	451	-60	80	111	84.00	85.00	1.00	9.23	EGS Drilling (New)
WARC0188	273475	6663232	451	-60	80	111	88.00	89.00	1.00	1.37	EGS Drilling (New)
WARC0189	273507	6663241	451	-60	80	78	15.00	17.00	2.00	5.74	EGS Drilling (New)
WARC0189	273507	6663241	451	-60	80	78	30.00	31.00	1.00	1.85	EGS Drilling (New)
WARC0189	273507	6663241	451	-60	80	78	49.00	50.00	1.00	1.66	EGS Drilling (New)
WARC0189	273507	6663241	451	-60	80	78	61.00	62.00	1.00	1.00	EGS Drilling (New)
WARC0187	273559	6663135	450	-60	80	78	8.00	9.00	1.00	1.65	EGS Drilling (New)
WARC0187	273559	6663135	450	-60	80	78	26.00	29.00	3.00	1.03	EGS Drilling (New)
WARC0187	273559	6663135	450	-60	80	78	39.00	43.00	4.00	1.12	EGS Drilling (New)
WARC142	273566	6663064	451	-60	80	30				NSI	Historical RC hole
WARC143	273535	6663058	451	-59	80	50	27.00	38.00	11.00	1.50	Historical RC hole
WARC144	273561	6663113	451	-60	80	40	19.00	20.00	1.00	1.68	Historical RC hole
WARC145	273528	6663162	452	-60	80	40	24.00	25.00	1.00	1.24	Historical RC hole
WARC145	273528	6663162	452	-60	80	40	31.00	39.00	8.00	14.64	
<i>Including</i>	<i>273528</i>	<i>6663162</i>	<i>452</i>	<i>-60</i>	<i>80</i>	<i>40</i>	<i>33.00</i>	<i>35.00</i>	<i>2.00</i>	<i>53.55</i>	
WARC146	273509	6663158	452	-60	80	60	17.00	18.00	1.00	1.49	Historical RC hole
WARC146	273509	6663158	452	-60	80	60	49.00	60.00	11.00	3.15	
WARC160	273555	6663062	451	-60	80	40	30.00	31.00	1.00	2.76	Historical RC hole
WARC161	273561	6663090	451	-60	80	40				NSI	Historical RC hole
WARC162	273548	6663166	452	-60	80	35	26.00	27.00	1.00	2.18	Historical RC hole
WARC162	273548	6663166	452	-60	80	35	31.00	32.00	1.00	1.31	
WARC174	273523	6663185	452	-59	75	50	17.00	18.00	1.00	1.01	Historical RC hole
WARC174	273523	6663185	452	-59	75	50	32.00	34.00	2.00	3.23	
WARC175	273504	6663182	452	-59	89	80	54.00	62.00	8.00	17.14	Historical RC hole
<i>Including</i>	<i>273504</i>	<i>6663182</i>	<i>452</i>	<i>-59</i>	<i>89</i>	<i>80</i>	<i>55.00</i>	<i>57.00</i>	<i>2.00</i>	<i>58.25</i>	
WARC175	273504	6663182	452	-59	89	80	68.00	69.00	1.00	1.18	
WARC175	273504	6663182	452	-59	89	80	74.00	75.00	1.00	5.04	
WARC176	273490	6663154	453	-60	80	90	29.00	32.00	3.00	3.64	Historical RC hole
WARC176	273490	6663154	453	-60	80	90	75.00	76.00	1.00	3.84	
WARC176	273490	6663154	453	-60	80	90	86.00	90.00	4.00	20.53	
<i>Including</i>	<i>273490</i>	<i>6663154</i>	<i>453</i>	<i>-60</i>	<i>80</i>	<i>90</i>	<i>87.00</i>	<i>88.00</i>	<i>1.00</i>	<i>77.60</i>	
WARC177	273534	6663136	452	-60	80	60	27.00	28.00	1.00	1.08	Historical RC hole
WARC177	273534	6663136	452	-60	80	60	33.00	39.00	6.00	1.70	



WALHALLA NORTH PROSPECT SIGNIFICANT INTERCEPTS											
Hole ID	Easting	Northing	RL	Dip	Azimuth	Total Depth (m)	From	To	Interval m	Grade g/t	Comments
WARC177	273534	6663136	452	-60	80	60	45.00	46.00	1.00	1.00	
WARC177	273534	6663136	452	-60	80	60	47.00	48.00	1.00	1.14	
WARC177	273534	6663136	452	-60	80	60	52.00	53.00	1.00	2.42	
WARC178	273514	6663133	452	-60	80	83	47.00	48.00	1.00	1.56	Historical RC hole
WARC178	273514	6663133	452	-60	80	83	55.00	56.00	1.00	2.47	
WARC178	273514	6663133	452	-60	80	83	59.00	63.00	4.00	7.57	
<i>Including</i>	<i>273514</i>	<i>6663133</i>	<i>452</i>	<i>-60</i>	<i>80</i>	<i>83</i>	<i>59.00</i>	<i>60.00</i>	<i>1.00</i>	<i>27.10</i>	
WARC178	273514	6663133	452	-60	80	83	68.00	73.00	5.00	2.04	
WARC179	273519	6663009	452	-60	78	80	29.00	30.00	1.00	1.95	Historical RC hole
WARC179	273519	6663009	452	-60	78	80	36.00	38.00	2.00	12.89	
WARC179	273519	6663009	452	-60	78	80	49.00	51.00	2.00	2.01	
WARC180	273532	6663033	451	-60	86	50	40.00	44.00	4.00	1.02	Historical RC hole
WARC180	273532	6663033	451	-60	86	50	49.00	50.00	1.00	1.22	
WARC181	273552	6663037	451	-60	80	30				NSI	Historical RC hole
WARC183	273541	6663189	452	-60	80	40	33.00	34.00	1.00	5.96	Historical RC hole
RC7	273520	6663209	454	-60	76	44	10.00	14.00	4.00	1.53	Historical RC hole
RC7	273520	6663209	454	-60	76	44	40.00	44.00	4.00	2.17	
RC8	273542	6663111	451	-60	76	50	49.00	50.00	1.00	8.70	Historical RC hole
RC109	273506	6663207	450	-60	76	72	32.00	34.00	2.00	2.22	Historical RC hole
RC109	273506	6663207	450	-60	76	72	38.00	39.00	1.00	4.58	
RC109	273506	6663207	450	-60	76	72	43.00	45.00	2.00	1.33	
RC110	273523	6663108	453	-60	76	80	70.00	71.00	1.00	2.34	Historical RC hole
RC110	273523	6663108	453	-60	76	80	76.00	77.00	1.00	31.30	

**Table 1: Mineral Resource Table**

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
<b>Central Davyhurst Subtotal</b>	<b>0</b>	<b>0.0</b>	<b>3,200</b>	<b>2.2</b>	<b>800</b>	<b>2.6</b>	<b>4,000</b>	<b>2.3</b>	<b>300</b>
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
<b>Mulline Subtotal</b>	<b>0</b>	<b>0.0</b>	<b>3,300</b>	<b>2.1</b>	<b>2,300</b>	<b>2.4</b>	<b>5,600</b>	<b>2.2</b>	<b>390</b>
SAND KING	0	0.0	516	3.1	935	3.0	1,451	3.0	142
MISSOURI	98	1.7	831	2.0	909	2.2	1,838	2.1	123
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
<b>Siberia Subtotal</b>	<b>98</b>	<b>1.7</b>	<b>1,500</b>	<b>2.4</b>	<b>2,500</b>	<b>2.8</b>	<b>4,100</b>	<b>2.6</b>	<b>340</b>
CALLION	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
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
<b>Davyhurst Regional Subtotal</b>	<b>138</b>	<b>3.5</b>	<b>1,800</b>	<b>2.2</b>	<b>3,000</b>	<b>2.0</b>	<b>5,000</b>	<b>2.1</b>	<b>340</b>
<b>Davyhurst Total</b>	<b>236</b>	<b>2.8</b>	<b>9,800</b>	<b>2.2</b>	<b>8,600</b>	<b>2.4</b>	<b>18,700</b>	<b>2.3</b>	<b>1,370</b>
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
METEOR	0	0.0	0	0.0	143	9.3	143	9.3	43
WHINNEN	0	0	0	0	39	13.3	39	13.3	17
<b>Mount Ida subTotal</b>	<b>0</b>	<b>0.0</b>	<b>140</b>	<b>18.6</b>	<b>180</b>	<b>10.2</b>	<b>320</b>	<b>13.8</b>	<b>140</b>
<b>Combined Total</b>	<b>236</b>	<b>2.8</b>	<b>9,900</b>	<b>2.4</b>	<b>8,800</b>	<b>2.5</b>	<b>19,000</b>	<b>2.5</b>	<b>1,510</b>

- 1.) This information was 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 First Hit, Sunraysia and Lady Bountiful Resources are no longer held by Eastern Goldfields and as such have been omitted from the above table.
- 3.) The above table contains rounding errors.

## 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.

#### Section 1. Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Cons Gold – RC 1m samples where alteration is visible. Remainder of hole composited to 4m. 2 to 3 kg samples sent to laboratory for crushing, pulverising and 50g Fire Assay.</li> <li>Croesus – RC 1m samples collected under free standing cyclone. 5m comps assayed for gold by 50g Fire assay.</li> <li>Monarch - RC samples were collected on 1m basis into pre-numbered calico bags and submitted to the laboratory for pulverizing and gold determination by fire assay. The entire hole was assayed.</li> <li>Eastern Goldfields Limited (EGL) – RC samples collected from riffle splitter directly off rig into calico bags. Splitter maintained on level site to ensure sample representivity. 1m samples are pulverized and a 40g charge is analysed by Fire Assay.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Cons Gold - Reverse Circulation drilling, 4.25" to 5.5" dia. Face sampling hammer used. Stabilisers used to control hole direction.</li> <li>Croesus RC drilling detail unknown.</li> <li>Monarch - Drilling techniques used was Reverse Circulation using 51/2" hammer.</li> <li>EGL- RC drilling using face sampling hammer, 5.25" dia.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>RC drill recoveries were not recorded by Cons Gold or Croesus.</li> <li>Monarch - Incomplete data for Monarch RC drilling. Sample recovery generally not recorded.</li> <li>EGL – sample recoveries not recorded.</li> <li>There is no known relationship between sample recovery and grade.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Cons Gold – All RC holes logged, quantitative logging applied to veining percentage. Logging directly into HPLX2000 data recorder using standard logging codes.</li> <li>Croesus – Entire hole geologically logged, quantitative estimates made of vein percentage and alteration intensity.</li> <li>Monarch - RC chip samples have been geologically logged to a suitable standard. The logging describes the dominant and minor rocktypes, colour, mineralisation, oxidation, alteration, texture, vein type and basic structure. Veining and sulphide mineralization are quantitatively logged.</li> <li>EGL - Core logging is completed by Company Geologists who log lithology, alteration, mineralization and structure to industry</li> </ul>

Criteria	JORC Code explanation	Commentary
		standards. Logging is qualitative, estimates are made of sulphide and alteration percentages. <ul style="list-style-type: none"> <li>100% of holes is geologically logged.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><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></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>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 elevated Au grades were re submitted at 1m intervals. Samples underwent mixermill preparation (2-3kg) by Amdel Laboratories.</li> <li>Croesus RC – 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. Five metre composite analytical samples, returning values greater than 0.1g/t gold, were riffle split at 1m intervals, where samples were dry, and grab sampled where wet. The analytical 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.</li> <li>RC samples for RV series holes drilled by Riverina Gold Mines NL. were riffle split and ¼ sent to the accredited assay laboratory.</li> <li>Monarch - 1m intervals were riffle split at the rig from the entire hole. Sampling method of wet samples was not recorded. Field duplicates collected at rate of approx.1:20. Sample sizes were appropriate for the material being sampled</li> <li>EGL – 1m sample collected from riffle splitter in calico bag. Intervals of wet or moist samples were noted during sampling.</li> <li>Sample preparation technique is deemed adequate. Analysis for gold (Fire assay/ICP Optical Emission Spectrometry) by Intertek Laboratory in Kalgoorlie. The analytical samples were dried, and split where necessary to obtain a sample less than 3.0kg, and then fine pulverised prior to a 50gm charge being collected and analysed.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><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></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>Cons Gold samples were sent to Analabs for fire assay, 50g charge. Fire assay is considered a total technique. Routine laboratory quality control checks were applied but details are unknown. Duplicate field samples were submitted for analysis at rate of 1:20. Pulps were submitted to umpire laboratories for analysis, details unknown. Screen fire assays were performed on selected high grade samples, details unknown.</li> <li>Croesus samples analysed for Au by Fire Assay/ICPOES by Ultratrace in Perth. 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 20<sup>th</sup> sample was duplicated in the field and submitted for analysis. Gannet standards and blank samples made by Croesus were submitted with split sample submissions only.</li> <li>EGL – Field duplicate samples collected by spear from sample retention bags submitted at a rate of 1:20. Commercially prepared standard samples and uncertified blanks are inserted in the sample stream at a rate of 1:10. Analysis for gold by Fire assay/ICP Optical Spectrometry which is considered a total technique, by Intertek Laboratory in Kalgoorlie. Sizing results (percentage of pulverised sample passing a 75µm mesh) are undertaken on approximately 1 in 100 samples. The accuracy (standards) and precision (repeats) of assaying are acceptable for current drilling.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>EGL geologists have not viewed significant intersections from historic drilling</li> <li>Holes have not been planned to specifically twin historic intercepts, however new intersections display similar tenor of mineralization.</li> <li>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.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>No adjustments are made to any assay data. First gold assay is utilised for any reporting.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Cons Gold – All holes surveyed on to Waihi local grid by a licensed surveyor.</li> <li>MGA zone 51 used for reporting. Early holes surveyed in AMG zone 51 and local grids converted to MGA using Geobank and or Dashed data management software.</li> <li>Majority of Cons Gold holes containing mineralisation were down hole surveyed by electronic gyro compass.</li> <li>Croesus - Holes were not down hole surveyed</li> <li>EGL - Drill hole collar positions are picked up using a Trimble DGPS subsequent to drilling. RC drill holes are not down hole surveyed. Where possible holes will be down hole surveyed at a later date.</li> <li>Pit surveys were completed by mine surveyors at completion of open pit mining at nearby Waihi and Lady Eileen pits.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Data spacing is approximately 20m along orebody strike and between 10 and 20m up and down dip.</li> <li>Data spacing and distribution is sufficient to establish geological and grade continuity for future mineral resource estimation procedures and classifications.</li> <li>Sample compositing has not been applied and will only be applied at the resource estimation stage.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The orientation of the ore body is north-north-west striking and steep west dipping. Drill holes are drilled at -60 to 077o intersecting the ore body approximately 45o.</li> <li>It is unknown but unlikely that the drilling orientation biases the sampling.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Unknown for earlier operators.</li> <li>Monarch - Pre-numbered calico sample bags were put into numbered plastic bags. These numbers were written on the submission forms which and checked by the geologist. Plastic bags were then securely cable tied, and placed in a secure location. Samples were then picked up by the Lab in Kalgoorlie or delivered to Perth via courier. A work order conformation was emailed to monarch personnel for each sample submission once samples were received by the Laboratory.</li> <li>EGL – Samples are bagged, tied and 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.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits of sampling techniques has been done.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Walhalla North deposit is on Tenement M30/63 held (100%) by Carnegie Gold Pty Ltd., a wholly owned subsidiary of Swan Gold Mining Limited.</li> <li>There are no heritage issues.</li> <li>There are no known impediments to operating in the area.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>During 2007 Monarch Gold drilled 16 RC holes at the deposit. In general drilling appears to have been done to the accepted standards of the day and reasonably well documented. Sample quality is notable omission from the dataset.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Mineralisation at Walhalla is hosted by talc-chlorite mafic schist. The schist unit is surrounded by moderately massive tholeiitic basalt intercalated with thin dolerite and high</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>magnesium basalt units. The schist is typically between 10 to 20 metres thick and has a strongly developed shear fabric. At Walhalla there appear to be multiple lenses of mineralised schist with the basaltic units to the west and sedimentary and volcaniclastic units to the east. Mineralisation favours the mafic units.</p> <ul style="list-style-type: none"> <li>Gold mineralisation has an overall NNW-trend and steep (&gt;70°) WSW-dip with a shallow (~10°) S-plunge to mineralisation.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>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"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Refer to Significant Intercepts Table for the drillholes data</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Only original assays have been used, averages using repeat and duplicate assays were not used.</li> <li>No metal equivalents reported.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>Drilling is all at -60° towards 080°. This is perpendicular to the interpreted mineralized structure which strikes NNW and dips steeply to the WSW.</li> <li>Only downhole lengths are reported, true widths are uncertain.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>See figures 1-4</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>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 reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Results from all drilling has been reported.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible</li> </ul>	<ul style="list-style-type: none"> <li>Infill, step out (to N and S) and depth extension drilling.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	