

Acquisition of new ground at Siberia in the Eastern Goldfields

Eastern Goldfields Limited (ASX: EGS) (**Eastern Goldfields** or **the Company**) is pleased to announce that it has signed an agreement with Heron Resources Limited (ASX: HRR) (**Heron**) and Ardea Resources Limited (**Ardea**) whereby the Company will acquire:

- (a) 100% title¹ to the mining tenements shown on the map below (**Siberia Gold Tenements**) in return for payment of \$100,000 plus payment of the royalty mentioned below; and
- (b) The gold rights in respect of the mining tenements shown on the map below (**Siberia Gold Rights Tenements**) with Heron retaining title and the nickel rights.

While Ardea (as assigned from Heron) is acquiring the non-gold rights in respect of both the Siberia Gold Tenements and the Siberia Gold Rights Tenements, Eastern Goldfields will be responsible for payment of rates and taxes on the Siberia Gold Rights Tenements and for keeping these tenements in good standing under the Mining Act.

The Company will be liable to pay to Heron (Ardea no entitlement) a 1.5% royalty on the gross revenue from gold production on any of the tenements capped at 150,000 ounces of gold plus a payment of \$1,000,000 (in cash or shares, at the Company's election) if the Company declares a gold Mineral Reserve on these tenements to the ASX of more than 100,000 ounces of gold.

The Agreement is otherwise subject to the usual terms for agreements of this nature.

The Siberia Gold Tenements and the Siberia Gold Rights Tenements increases the area available to Eastern Goldfields for gold exploration by more than 5,686 hectares, which represents a significant expansion of the Company's footprint in the Eastern Goldfields.

Investor and media enquiries

Michael Fotios

Executive Chairman

T: +61 8 6241 1888

E: admin@easterngoldfields.com.au

Jon Snowball

FTI Consulting

T: +61 477 946 068

E: jon.snowball@fticonsulting.com

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: \$0.36

Market Capitalisation: \$177m

Cash as at 30/9/2016: \$5.5m

Eastern Goldfields Ltd

ACN 100 038 266

L1/24 Mumford Street

Balcatta WA 6021

P +61 8 6241 1866

F +61 8 6241 1811

E admin@easterngoldfields.com.au

W easterngoldfields.com.au

¹ 100% title apart from Beach Energy Ltd retaining a 10% interest in M24/665

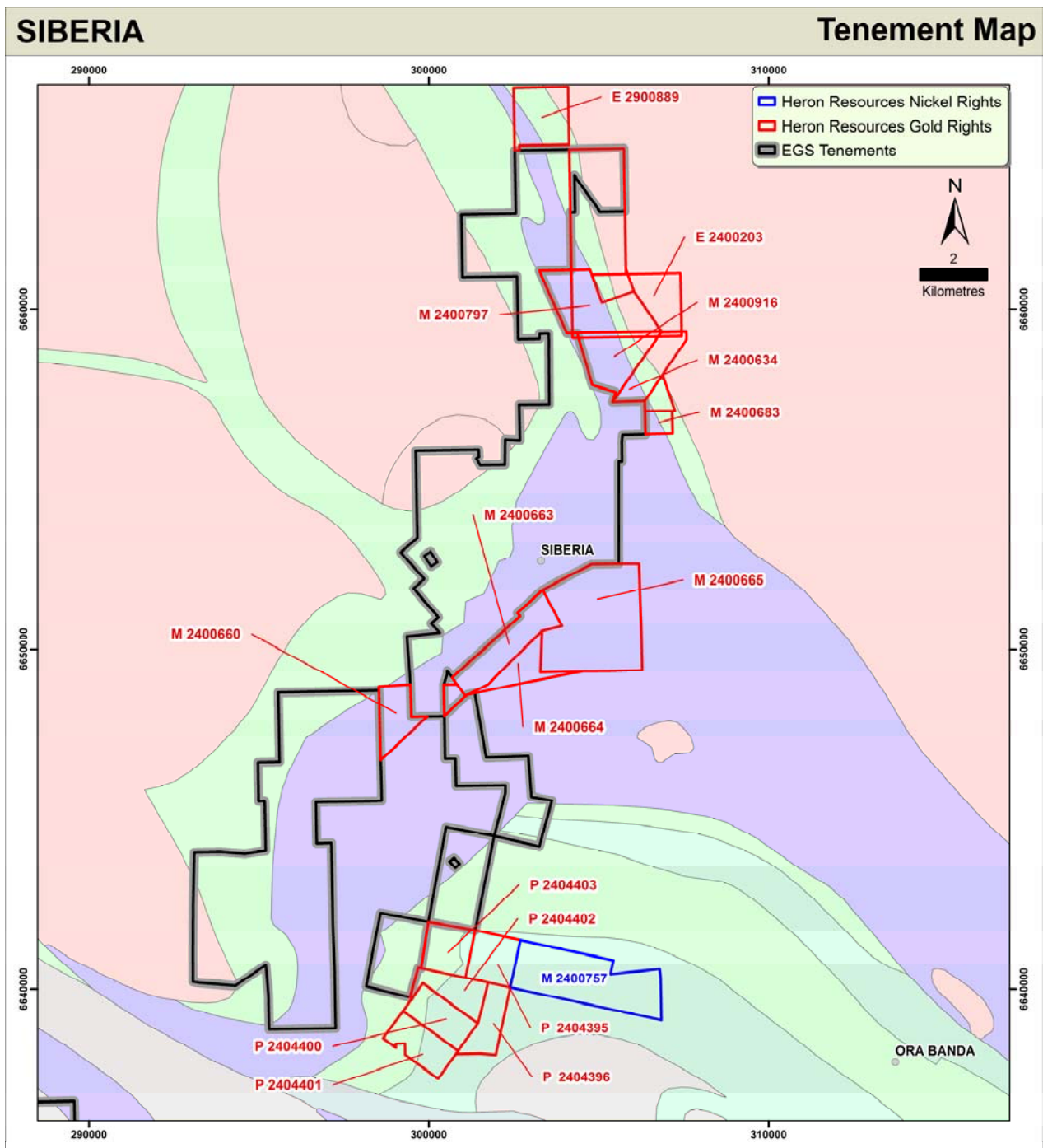


Figure 1. Tenement location map.