

SUPPLEMENTARY PROSPECTUS

INTRODUCTION AND IMPORTANT NOTICE

This document is a supplementary prospectus dated 14 July 2017 and was lodged with the Australian Securities and Investment Commission (**ASIC**) on that date (**Supplementary Prospectus**). Neither ASIC nor ASX take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus supplements, and must be read together with, the prospectus dated 21 April 2017 (**Prospectus**) issued by Eastern Goldfields Limited ACN 100 038 266 (**Company**) for the issue of up to 100 Shares at an issue price of \$0.35 each to raise up to \$35 before costs (**Offer**). As announced by the Company on 30 June 2017, the Closing Date for the Offer is 5pm WST on 14 July 2017 and the Company does not intend to further extend that date.

Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus. To the extent of any inconsistency between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you have any questions about the Shares being offered under the Prospectus or any other matter, you should consult your professional advisers.

PURPOSE OF THIS SUPPLEMENTARY PROSPECTUS

The purpose of this Supplementary Prospectus is to provide an update in relation to the Davyhurst Gold Project Refurbishment Contract and the Company's operations and to make some other minor amendments to the Prospectus.

SECTION 1 UPDATE IN RELATION TO THE DAVYHURST GOLD PROJECT REFURBISHMENT CONTRACT

On 11 July 2017 the Company received a writ of summons for proceedings in the Supreme Court of Western Australia commenced by GR Engineering Services Limited (**GRES**) in relation to the Davyhurst Gold Project refurbishment contract entered into by GRES and the Company on 22 September 2016 (**Contract**).

The Contract price is approximately \$12.5 million, of which the Company has already paid the sum of \$10.4 million to GRES.

GRES made further payment claims in April 2017 that do not comply with the Contract and have been disputed by the Company. The Company is of the view that GRES then wrongfully suspended work at the Davyhurst Mill in May 2017. On 15 June 2017 GRES represented to the Company that it would immediately and unconditionally recommence work towards commissioning the Davyhurst Mill, but has failed to do so. As a consequence, the Company has taken steps itself to complete the refurbishment of the Davyhurst Mill, during which it has discovered numerous defects and omissions by GRES. Rectifying those defects, GRES' wrongful suspension and GRES' failure to assist the Company to complete the refurbishment has delayed the recommencement of production. GRES now claims "liquidated damages in the sum of \$9,940,991.59 alternatively \$5,000,000". The Company intends to vigorously defend the proceedings and will pursue by counterclaim its rights to damages and costs arising from GRES' breaches of contract, defective work and other conduct.

SECTION 2 UPDATE IN RELATION TO OPERATIONS

Davyhurst Mill

As announced by the Company on 14 July 2017, mechanical, electrical and water commissioning of the Davyhurst Mill, located approximately 120 kilometres north-west of Kalgoorlie, within the Davyhurst mining hub, is now complete. All circuits are now operational and continuous ore processing has commenced. The first gold pour from the gravity circuit is scheduled for Wednesday 19 July 2017 and the first leach circuit gold pour scheduled for Friday 21 July 2017

Stockpiles and haulage

As further detailed in the Company's announcement dated 14 July 2017, there is approximately 71Kt mill feed on Davyhurst run of mine (**ROM**) and approximately 40Kt mill feed on Siberia ROM.

Mining activities

Development of the Golden Eagle decline has commenced, with portal access works currently being undertaken. It is estimated that these works will be completed during July 2017 and ore mining development will commence during August 2017. Once consistent ore production is achieved at Golden Eagle it is planned, during September 2017, to commence reopening of the existing Lights of Israel decline.

Mining activities at Siberia have focused on mining of the existing historic low grade stockpile created by Western Mining Corporation during the 1980s and preparation for mining of the southern cutback at the Sand King open pit. First ore is expected to be mined from the southern cutback at Sand King during August 2017.

Sand King open pit grade control is currently underway with approximately 780 metres of RC grade control drilling completed to date. Initial open pit mining at Siberia will focus on development at Sand King followed by development of the Missouri open pit later in the year.

SECTION 3 OTHER UPDATES TO THE PROSPECTUS

Section 1.7 of the Prospectus

As set out in section 1.7 of the Prospectus, the Prospectus was issued by the Company primarily to remove any trading restrictions that attach to Shares issued by the Company prior to the Closing Date (including prior to the date of the Prospectus). As such it was not anticipated that the Company would issue any Shares under the Prospectus. The Company confirms that it has not received applications for the issue of Shares under the Offer and does not anticipate issuing any Shares under the Prospectus.

Section 5.1 of the Prospectus

As an update to section 5.1 of the Prospectus, the following ASX announcements have been made by the Company in the period following lodgement of the Prospectus up to the date of this Supplementary Prospectus:

Date	Description of Announcement
14 July 2017	Davyhurst Mill processing commenced
12 July 2017	Davyhurst Gold Project refurbishment contract
12 July 2017	Trading Halt
11 July 2017	GNG: Davyhurst Gold Project refurbishment contract - proceedings
4 July 2017	Close of Unmarketable Parcel Sale Facility
3 July 2017	Appendix 3B
30 June 2017	Extension of Prospectus Offer
23 June 2017	Davyhurst mill commissioning underway – first ore crushed
16 June 2017	Extension of Prospectus Offer
15 June 2017	Davyhurst mill refurbishment and commissioning update
7 June 2017	Presentation
7 June 2017	Appendix 3B
6 June 2017	Becoming a substantial holder for IRC
1 June 2017	JV with Intermin for Goongarrie and Menzies Projects
31 May 2017	Extension of Prospectus Offer
30 May 2017	Results of Meeting
30 May 2017	Appendix 3B
1 May 2017	Notice of General Meeting/Proxy Form
1 May 2017	Replacement Quarterly Activities and Cashflow Report
1 May 2017	Quarterly Activities and Cashflow Report
28 April 2017	Ceasing to be a substantial holder
26 April 2017	Appendix 3B
21 April 2017	Prospectus

Section 5.9 of the Prospectus

The current Section 5.9 of the Prospectus is deleted and replaced as follows:

“Legal proceedings may arise from time to time in the course of the Company’s business. Other than as set out elsewhere in this Prospectus (including the Supplementary Prospectus), as at the date of the Supplementary Prospectus, so far as the Directors are aware, there are no legal proceedings pending or threatened against the Company the outcome of which will have a material adverse effect on the business or financial position of the Company.”

SECTION 4 DIRECTORS’ AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with Section 720, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent.

Dated: 14 July 2017



**Michael Fotios
Executive Chairman
For and on behalf of
Eastern Goldfields Limited**