

EASTERN GOLDFIELDS ACQUIRES ADDITIONAL TENEMENTS IN WESTERN AUSTRALIA

Eastern Goldfields Limited (ASX:EGS) (**Company**) is pleased to announce that it has executed a binding agreement (**Agreement**) to acquire additional tenements (**Tenements**) in the Eastern Goldfields region in Western Australia (see figure 1) from Goldstar Resources (WA) Pty Ltd (**Goldstar**), a wholly owned subsidiary of Orion Gold NL (ASX:ORN) (**Orion**).

Under the terms of the Agreement, the Company will pay to Orion cash consideration of \$125,000 and 2,000,000 unlisted options (1,000,000 unlisted options exercisable at \$0.168 each on or before 8 March 2018 and 1,000,000 unlisted options exercisable at \$0.189 each on or before 8 March 2020). The Company has also agreed to procure subscriptions from external parties for 33,333,333 shares in Orion at an issue price of \$0.015 per Share to raise \$500,000.

The Agreement is conditional on withdrawal of the complaints lodged by Goldstar on the Davyhurst, Lady Ida and Riverina tenements as noted in the Company's prospectus dated 24 December 2015 (as supplemented).

The Executive Chairman of the Company, Mr. Michael Fotios, said that "This Agreement is beneficial for the Company as it resolves an important ground holding position purchased for a modest cost which is adjacent to areas that the Company is now working upon bringing back into production."

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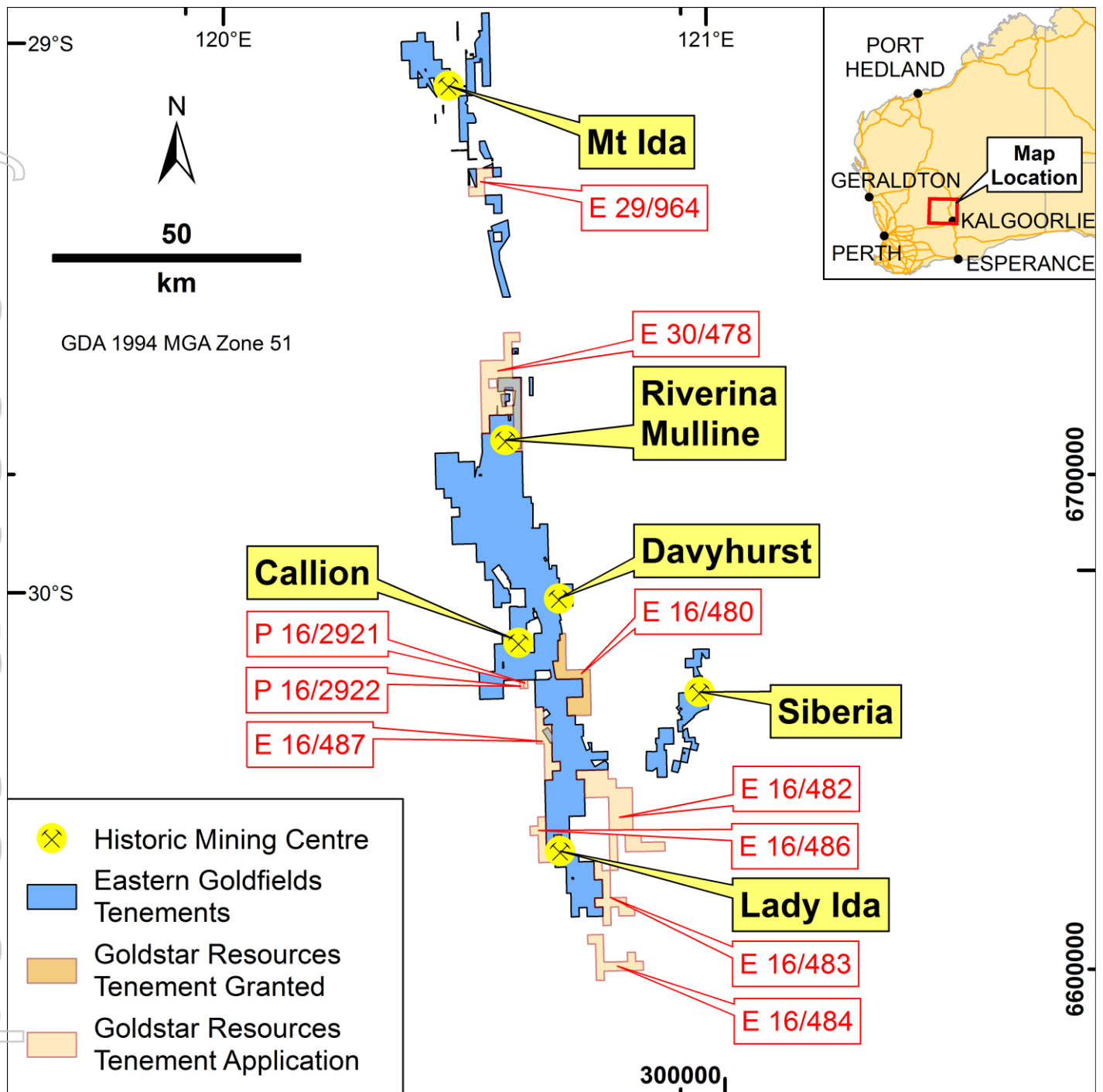


Figure 1: Location of Tenements acquired from Goldstar.