



1 February 2018

Dear Optionholder

NON-RENOUNCEABLE RIGHTS ISSUE – NOTIFICATION TO NON-QUALIFYING FOREIGN OPTIONHOLDERS

On 1 February 2018, Eastern Goldfields Limited ACN 100 038 266 (**Company**) announced its intention to raise up to approximately \$7,184,854 by way of a non-renounceable rights issue (**Rights Issue**) of one (1) fully paid ordinary share in the Company (**New Share**) for every twenty (20) existing shares held as at 5.00pm WST on 7 February 2018 (**Record Date**) at an issue price of \$0.20 per New Share, to shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**).

The Company has decided that it is unreasonable to make offers under the Rights Issue to shareholders with a registered address outside Australia or New Zealand (**Non-Qualifying Foreign Shareholders**), having regard to the number of such holders, their holdings and the compliance costs required to offer the New Shares under the Rights Issue to those holders.

In the event that you choose to exercise your options before the Record Date for the Rights Issue, you will be considered a Non-Qualifying Foreign Shareholder.

Unfortunately, since you would be considered a Non-Qualifying Foreign Shareholder if you were to exercise your options, no offer will be made to you under the Rights Issue, and the prospectus prepared by the Company in relation to the Rights Issue will not be sent to you.

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares, and is being sent to you for information purposes only.

You do not have to take any further action in relation to the Rights Issue.

If you do not understand this letter you should contact your stockbroker, accountant or other professional adviser without delay.

If you require clarification on any of the above matters, please contact the share registry on 1300 850 505 or the Company secretary on +61 8 9322 1587.

Yours faithfully,

Gannon Coates

for **EASTERN GOLDFIELDS LIMITED**