EUROGOLD
LIMITED
(ACN 009 070 384)

31 January 2003

The Manager
Company Announcements Office
Australian Stock Exchange
SYDNEY NSW 2000

By Facsimile: 1300 300 021

Dear Sir

QUARTERLY REPORT – DECEMBER 2002

In accordance with Listing Rules 5.2 and 5.3 please find attached the December 2002 Quarterly Activities Report and Appendix 5B, Mining Exploration Entity Quarterly Report for Eurogold Limited ("EUG").

HIGHLIGHTS

- ***Production of 6,181 ounces of gold (EUG 50%)***
- ***Production of 30,245 ounces of silver (EUG 50%)***
- ***Increased gold and silver prices substantially improve the economics of Transgold's "central" tailings dam project***
- ***New breccia target identified at the Mihai-Nepomuc prospect.. Best intersection 16.8m at 2.67 g/t Au and 5.7 g/t Ag from 29.2m***
- ***Significant mineralisation intersected at the III Lapusna prospect, including 11.2m at 4.4 g/t Au***

CORPORATE

Please note that the Appendix 5B has been prepared differently from those previously reported, in that Eurogold's 50% interest in Transgold SA has not been consolidated. As Eurogold holds only 50% of the issued capital in Transgold it therefore does not control Transgold and thus it is considered more appropriate to exclude its results from the Appendix 5B report for both the Current Quarter, the Year to Date and for the future.

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TRANSGOLD SA - BAIA MARE TAILINGS RETREATMENT PROJECT ROMANIA (EUROGOLD 50%)

1.0 SUMMARY

A total of 74,713 tonnes of material was treated in the plant during the quarter. Reduced throughput as forecasted in previous quarters has been largely offset by a 40% increase in toll fees charged by Transgold and improving gold and silver prices.

The new Hanau open pit is scheduled for production in the second quarter 2003. The Hanau project is likely to contribute up to 17,000 tonnes per month of hard rock ore for treatment by the plant.

Transgold has commenced design for a 10,000 tpm hard rock primary crushing facility to be constructed at the processing plant site. This will compliment Transgolds existing 50,000tpm ball mill. The estimated project cost for this is US$47,000 and will be funded from internal cashflows. Commissioning of the facility should occur prior to the start of mining at the Hanau open pit.

2.0 PRODUCTION

During the period a total of 5,077 ounces Au were recovered from toll treatment and concentrate campaigns. A further 1,104 ounces Au were recovered from toll refining services provided to third parties. The total silver produced during the quarter was 30,245 ounces.

Transgold has a purchasing program for concentrates whereby material is sourced throughout Romania and transported to the plant for treatment. The concentrates acquired include calcines and pyrite resources with moderate to high gold and silver contents that are treated in conjunction with the treatment of Remin ore toll feed. Transgold has run down its stockpile of material and maintains only a small stockpile as a reserve feedstock.

The plant is considered to be performing well whilst Management remains focussed on cost and efficiency initiatives during the winter period.

Transgold has continued its involvement with the EU funded Clottadam research project, which seeks to gain further knowledge on alternative safe treatments methodologies for tailings operations in Europe.

3.0 EXPLORATION - TRANSGOLD

3.1 General

Exploration work including trenching, diamond drilling and channel sampling continued on the Ilba and Baita tenements during the quarter. Highlights include:

- Upgrade of probable reserve for the Hanau trial pit to 148,000t at 2.97g/t Au;
- Significant mineralisation intersected at the III Lapușna prospect, including 11.2m at 4.4g/t Au;
- Drill intersection of 16.8m at 2.7g/t Au at Mihai-Nepomuc

3.2 Ilba Licence

Exploration activities for the quarter included trenching, diamond drilling, data interpretation and geological mapping.

Preparation for exploitation of the Hanau deposit continued during the quarter involving reserve estimation, metallurgical testwork and minor trenching to finalise the extent of the ore body. Infill drilling during the September quarter has been incorporated into a new reserve estimate of 148,000t at 2.97g/t Au and 12.2g/t Ag.

Three trenches excavated to delineate the eastern limit of the ore body intersected significant mineralisation including 22m at 3.47g/t Au and 11.8g/t Ag in Trench No 94.

Leach metallurgical testwork carried out to date has indicated an average gold recovery of 84% for the Hanau orebody.

Final permitting for the operation of the Hanau open pit was received during the quarter. Construction of a haul road to access the lower limit of the Hanau orebody was commenced during December and is anticipated to be completed by April 2003.

At the Purcareț North prospect, three trenches have confirmed extensive gold anomalism in brecciated, argillic altered, silicified andesite located in an area interpreted to be an extension of Vein 10 Firizan, on the south side of the Mihai-Nepomuc lineament. Trench results include, S-92, 39m at 1.0g/t Au, including 5m at 4.1g/t Au at the end of the trench. A soil-sampling program is scheduled to be completed over the breccia during the spring of 2003 to identify the more highly mineralised areas within this extensive area of brecciation.

Trenching and drilling was completed at the Mihai-Nepomuc prospect during the quarter to test a major NW striking regional lineament for gold mineralisation. Trench S-91 intersected 15.2m at 0.76g/t Au and 9.2g/t Ag in highly silicified, oxidised andesite breccia in which follow up diamond drilling intersected significant gold mineralisation; F3-MN 16.8m at 2.67g/t Au and 5.7g/t Ag from 29.2m.

Sporadic strong base metal mineralisation was recorded in drill hole F1-MN, with assays for Pb, Zn and Cu up to 4.26%, 3.75% and 0.69% respectively. The Mihai-Nepomuc structure remains untested for more than 500m to the SE.

3.3 Baița Licence

Trenching continued in both the hanging and footwall zones of the III Lapușna vein during the quarter and a diamond drilling program was commenced. The III Lapușna vein is a large NNE striking vein located approximately 150m west of the proposed Nistru open pit, that has been historically mined over a strike length of more than 1km, resulting in extensive surface subsidence. The objective of the exploration is to locate additional resources that could be mined utilising the infrastructure in place for the mining of the Nistru pit. A three hole diamond drilling program was conducted during the December quarter to evaluate the potential of mineralisation in the footwall of the III Lapușna vein where channel sampling during the previous quarter indicated extensive remnant mineralisation.

Drilling was difficult due to significant subsidence that has occurred in the area and the presence of old mine workings, however the holes intersected significant gold mineralisation including; 11.2m at 4.37g/t Au and 24.7g/t Ag from 52.5m in TLDD-2 and, 4.9m at 3.74g/t Au and 17.9g/t Ag from 34.7m in TLDD-3. The drilling indicates that significant remnant mineralisation remains near the surface on the III Lapușna vein that may be amenable to open pit mining.

A soil geochemical sampling program was completed over the Piatra Handal prospect where the NE striking Coroana de Aur vein intersects a 250m diameter circular breccia body that is interpreted to be a diatreme. Assay results are anticipated during February.

3.4 Sasar Licence

In the December quarter the activities on the Sasar tenement focussed on interpretation of the data obtained over the previous quarters in preparation for a trenching and drilling program at the Aurum and Popradel prospects in 2003. In light of the rising gold price, the Aurum prospect will be reviewed during the first quarter of 2003 as a potential open pit mine.

4.0 CAPITAL PROJECTS

A feasibility study and technical design work has been completed for the development of mining at the Central tailings dam. The Central project is estimated to contain over 10m tonnes of tailings with a head grade of 0.49 grams per tonne. Further infill drilling and testwork is required to confirm the gold grade. Initial feasibility studies predict a cash surplus after capital expenditure in excess of $US3m for each full year of production. This project should provide reliable feedstock to Transgold for over four years. Negotiations for the provision of a finance facility have commenced and are likely to be finalised in the next quarter.

TABLE 1 - PRODUCTION STATISTICS

		Dec Quarter 2002	Sep Quarter 2002
Concentrate material moved	Tonnes	5,862	19,766
Toll ore treated	Tonnes	68,851	70,672
Processing – CIL			
Dry tonnes treated	Tonnes	74,713	90,438
Total Gold Produced	Ounces	6,181	10,223
Total Silver Produced	Ounces	30,245	26,646
Cash Operating Costs	US$/t	302	265

5.0 GOLD SALES

The average realised bullion gold price for the quarter was US$326 an ounce (previous quarter was US$314 per oz). The low cash operating margin is due to a combination of low throughput and higher operating costs, reflecting both higher acquisition and treatment costs of concentrate materials being treated. Acquisition costs included some previously smelted material that was retreated by Transgold for export. The higher treatment costs arise mainly due to the higher amount of non-favourable compounds absorbed during the treatment process. All sales of gold were into the spot market as no hedging instruments were applied in the quarter. Transgold currently has no hedging instruments in place.

All silver sales were delivered at spot price.

TABLE 2 - GOLD SALES

Sales		3 months to 31 December 2002	3 months to 30 September 2002
Total Bullion Sales			
Gold	Oz	7,318	9,467
Silver	Oz	30,265	24,323
Average Realized Prices			
Gold	US$	326	314
Silver	US$	4.53	4.63
Toll Treatment Revenue	$US000	802	658

Hedging
As in previous quarter, no hedging contracts were in place.

REGULATORY ISSUES

SC Aurul SA was previously the subject of litigation from a number of small litigants and the Hungarian government, following the incident at the Tailings Dam in January 2000. The fourth court hearing is scheduled to be in March 2003.

EXPLORER SA (EUROGOLD 98%)

6.0 SUMMARY

Exploration work including trenching, diamond drilling, geochemical sampling and reconnaissance sampling continued during the quarter. The main focus of the work has been in the Salvador area of the Racsa SE tenement where trenching has revealed further encouraging gold mineralisation. Geochemical sampling is currently underway to attempt to identify styles of mineralisation that have previously not been targeted in this region.

7.0 EXPLORATION

7.1 Exploration License No. 46 Bixad Tenement

Evaluation of trench and drill data for the Corneasca I and II veins was completed during the quarter. Trench data from the Corneasca II vein indicates that there may be a viable resource within the a central 250m section of the vein to add to the inferred resource of 317,000t at 4.5g/t Au located along 800m off the Corneasca I vein.

7.2 Exploration License No 85 Racsa-Zugau Tenement

A geochemical sampling program was completed at the Racsa prospect during the quarter to extend the grid to the west after samples collected previously had identified a strong coherent gold anomaly with a peak value of 406 ppb. The sampling has revealed that the gold anomaly previously identified, continues further to the west at values up to 231ppb Au, into an area currently untested by drilling. The anomaly may indicate the location of a 600,000t inferred resource reportedly identified from early exploration conducted by the Romanian state.

Exploration at the Beneci prospect has identified strongly hydrothermally altered andesite with quartz veining. Trench samples were strongly anomalous in gold but sub-grade. Additional reconnaissance sampling has indicated that these structures may exceed 1000m in length and that additional work should be completed with the objective of identifying drill targets.

7.3 Exploration License No. 698 Racsa Sud-Est Tenement

The focus of exploration activities on the Racşa Sud-Est tenement continued to be on the Salvador-Tarniţa prospect during the quarter. At the Salvador prospect there is evidence of extensive historical mining, estimated to be in the order of 200 years old, covering an area of approximately 6 hectares. There is no evidence of subsequent exploration activity.

Trenching continued at Salvador during the quarter and has identified two intersecting quartz veins and numerous subsidiary veins. The Salvador 1 vein strikes NE-SW and appears to be intersected by the Salvador 2 vein that strikes NW-SE. The veins reach a maximum thickness of approximately 12m and are hosted by intensely argillic-altered andesite and rhyo-dacite pyroclastic.

A four hole diamond drilling program for a total of 262m was completed during the quarter with the objective of testing both veins 1 and 2 at Salvador. Three holes were completed to test Salvador 1 vein in an area where trenching had intersected 14m at 3.75g/t Au. In spite of intersecting intensely silicified and pyrite altered andesites with abundant quartz veining and frequent old workings, the best intersection recorded was 14.7m at 1.63g/t Au and 7.0g/t Ag from surface in drill hole SVDD-2. One drill hole tested the Salvador 2 vein and although intersecting intense alteration, failed to identify any significant mineralisation. Further work is required at the prospect as the intensity of hydrothermal alteration observed is higher than any previously recognised in the region.

Assay results were received during the quarter for a soil sampling program carried out over 1.2 km^2 of the Tarniţa complex, located to the SE of the Salvador prospect. The analyses delineated a strong 1.5 km long NE trending coincident gold, silver and arsenic anomaly peaking at 261ppb gold that indicates a probable extension of the Tarniţa vein. In-fill sampling to 50m x 50m is required over the peaks of the anomaly.

A soil sampling program completed over 1.3km^2 of the Ţigher prospect identified a 500m long, NE striking coincident Au, Ag, As, Hg and Pb anomaly peaking at 449ppb Au, near the tenement boundary with the Sasar tenement. The anomaly possible reflects extensions of quartz veining and brecciation associated with the Sophia prospect. In-fill sampling to 50m x 50m will be conducted early in the next field season.

* * * * *

Mr Doug Cook, Geologist for SC Explorer SA, has been responsible for the preparation of the geological sections of this report. Mr Cook has more than fifteen years experience in the evaluation of mineral resources, which is relevant to the style of mineralisation under consideration.

Yours faithfully
EUROGOLD LIMITED

PETER GUNZBURG
Executive Chairman

Rule 5.3

Appendix 5B
Mining Exploration Entity Quarterly Report

Origin: Appendix 8

Name of Entity

EUROGOLD LIMITED

ACN	Quarter Ended ("Current Quarter")
009 070 384 (002)	31 DECEMBER 2002

Consolidated Statement of Cash Flows

i) **Eurogold Limited 100%**
ii) **Explorer SA – 98.50%**

Please note that this Appendix 5B has been prepared differently from those previously reported in that Eurogold's 50% interest in Transgold SA has not been consolidated. As Eurogold holds only 50% of the issued capital in Transgold it therefore does not control Transgold and thus it is considered more appropriate to exclude its results from this report for both the Current Quarter and the Year to Date and for the future.

	Cash Flows Related to Operating Activities		Current Quarter $A'000	Year to Date (6 months) $A'000
1.1	Receipts from product sales and related debtors		205	473
1.2	Payments for	(a) exploration and evaluation	-244	-558
		(b) development	-	-
		(c) production	-	-
		(d) administration	-340	-678
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		2	2
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other – (VAT Refunds – Transgold)		31	31
	Net Operating Cash Flows		-346	-730
	Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:	(a) prospects	-	-
		(b) equity investments	-	-300
		(c) other fixed assets	-	-133
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b)equity investments	249	576
		(c)other fixed assets	-	-
1.10	Loans to other entities (To Explorer SA)		-380	-681
1.11	Loans repaid by other entities		-	-
1.12	Other		-	-
	Net Investing Cash Flows		-131	-538
1.13	Total operating and investing cash flows (carried forward)		-477	-1268

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	-477	-1268
	Cash Flows Related to Financing Activities		
1.14	Proceeds from issues of shares, options, etc.	355	355
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (From Eurogold to Explorer SA)	374	671
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Capital Raising Costs)	-45	-45
	Net Financing Cash Flows	684	981
	Net Increase (Decrease) in Cash Held	207	-287
1.20	Cash at beginning of quarter/year to date	273	767
1.21	Exchange rate adjustments to 19	-13	-13
1.22	**Cash at End of Quarter**	467	467

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	66
1.24	Aggregate amount of loans to the parties included in item 1.10	1,614,575

1.25 Explanation necessary for an understanding of the transactions

Consulting fees paid to Gerise Pty Ltd and Sinada Pty Ltd, companies associated with Mr B Montgomery a Director of Eurogold and Mr M Montgomery a director of Romanian subsidiary Explorer SA respectively; directors fees paid to Mr D Franks, employee remuneration paid to Mr P Gunzburg.

Non-Cash Financing and Investing Activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the reporting periods, there weren't any financing and investing transactions which have had a material effect on consolidated assets and liabilities that did not involve cash flows.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NOT APPLICABLE

Financing Facilities Available

Add notes as necessary for an understanding of the position.

	Amount Available $A'000	Amount Used $A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated Cash Outflows for Next Quarter

	$A'000
4.1 Exploration and evaluation	-143
4.2 Development	-
Total	-143

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter $A'000	Previous Quarter $A'000
5.1 Cash on hand and at bank	25	55
5.2 Deposits at call	442	218
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: Cash at End of Quarter (item 1.22)	467	273

Changes in Interests in Mining Tenements

	Tenement Reference	Nature of Interest (note (2))	Interest at Beginning of Quarter	Interest at End of Quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		No changes in Interests		
6.2 Interests in mining tenements acquired or increased		No changes in Interests		

Issued and Quoted Securities at End of Current Quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Number Issued	Number Quoted	Issue Price Per Security (cents)	Amount Paid Up Per Security (cents)
7.1	**Preference +securities** *(description)*	Nil	Nil	N/Applicable	N/Applicable
7.2	Issued during quarter	Nil	Nil	N/Applicable	N/Applicable
7.3	**+Ordinary Securities**	96,165,209	96,165,209	N/Applicable	N/Applicable
7.4	Issued during quarter	Nil	Nil	Nil	Nil
7.5	**+Convertible Debt Securities** *(description)*	Nil	Nil	N/Applicable	N/Applicable
7.6	Issued during quarter	Nil	Nil	N/Applicable	N/Applicable
7.7	**Options** *(description)*	7,325,000* 7,100,000**	Nil Nil	Nil Nil	Nil Nil
7.8	Issued during quarter	Nil	Nil	N/Applicable	N/Applicable
7.9	Exercised during quarter	7,100,000	7,100,000	Nil	$0.05c each
7.10	Expired during quarter	7,325,000	Nil	N/Applicable	N/Applicable
7.11	**Debentures** *(totals only)*	Nil	Nil		
7.12	**Unsecured Notes** *(totals only)*	Nil	Nil		

* exercisable at $0.40 cents on or before 22 December 2002
** exercisable at $0.05 on or before 22 December 2005

Compliance Statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date:31 January 2003
Peter L Gunzburg
Executive Chairman

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of Interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and Quoted Securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* applies to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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