EUROGOLD
LIMITED
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30 April 2003

The Manager
Company Announcements Office
Australian Stock Exchange
SYDNEY NSW 2000

Dear Sir

**QUARTERLY REPORT – MARCH 2003**

In accordance with Listing Rules 5.2 and 5.3 please find attached the March 2003 Quarterly Activities Report and Appendix 5B, Mining Exploration Entity Quarterly Report for Eurogold Limited ("EUG").

**CORPORATE**

Post quarterly reporting date the Company held an Extraordinary General Meeting whereby Shareholders approved the placement of up to 20,000,000 shares resulting in a capital raising of $1.2m. The placement has now been completed.

**TRANSGOLD S.A.**
**BAIA MARE TAILINGS RETREATMENT PROJECT ROMANIA (EUROGOLD 50%)**

**1.0 General**

The Romanian Government promulgated a revision to the Mining Law during March 2003 under which mineral titleholders have the option to operate under either the revised or the old law. This provides significant benefit to both Explorer and Transgold, as under the new law there is no requirement for 50% tenement relinquishment after 2 and 4 years of title. The new law allows for relinquishment of tenure to be at the discretion of the titleholder, subject to exploration commitments being satisfied. This has therefore enabled Explorer and Transgold to retain full tenure over the prospective NW Baia Mare mineral field for a total of 5 years, extendable for an additional 3 years on application.

Little field exploration was completed during the quarter due to winter weather conditions. Exploration work completed comprised field reconnaissance, preparation of work programmes, resource estimation and statutory reporting.

## 1.1 Ilba Licence

The principal exploration activity for the quarter was the interpretation of geological data compiled during 2002 from the Firizan NE and SW prospects. Inferred geological resources of 185,000t at 3.1g/t Au and 180,000t at 3.0g/t were estimated for Firizan NE and Firizan SW respectively.

An inferred geological resource of 180,000t at 2.6g/t Au was estimated for the Faţa Mare prospect.

Construction of a haul road to access the Hanau deposit commenced during the quarter and is expected to be completed during the 2nd quarter 2003. Stripping of waste from Hanau is anticipated to start late in the second quarter 2003 and ore production shortly thereafter. The deposit has a reserve of 148,000t at 2.97g/t Au.

Diamond drilling of the Mihai-Nepomuc prospect is scheduled to commence during the second quarter, to follow up significant mineralisation, including 16.8m at 2.7g/t Au, intersected at the prospect during 2002.

Geochemical sampling and additional trenching are scheduled to be completed at the Purcareţ North prospect during the 2nd quarter, where mineralised breccias have previously been identified near the intersection of the major Firizan – Mihai Nepomuc faults

## 1.2 Baiţa Licence

Diamond drilling of the III Lapuşna vein recommenced late in the quarter. The III Lapuşna vein is a large NNE striking vein located approximately 150m west of the proposed Nistru open pit, the high grade core of which has been historically mined over a strike length of more than 1 kilometre resulting in extensive surface subsidence. The objective of the exploration is to delineate remnant resources within both the main vein and the hanging and footwalls that could be mined utilising the infrastructure in place for the mining of the Nistru pit. Significant remnant mineralisation was intersected in the only hole completed during the quarter. Assays are pending. Trenching and drilling are to continue at the prospect during the second quarter.

Results of a geochemical sampling programme completed over the Piatra Handal prospect were received during the quarter. Three significant but unexplained geochemical anomalies with peak values of 190ppb Au and 7.0ppm Ag were outlined outside areas where mineralisation was known to occur. Infill sampling will be completed during the second quarter. The sampling identified a coherent anomaly over the principal breccia target however the amplitude was of low order.

## 1.3 Sasar Licence

Exploration activity for the quarter focussed on the compilation of data from trenching and drilling programmes completed at the Sophia prospect during 2002. A six hole diamond drilling programme targeting the Popradel breccia and vein commenced at the end of the quarter.

**EXPLORER S.A. (EUROGOLD 98%)**

### 1.4 Summary

Little field work was completed on the Explorer tenements during the quarter due to winter conditions. Exploration work completed comprised field reconnaissance, preparation of work programmes, data evaluation and statutory reporting.

**EXPLORATION**

### 1.5 Exploration License No. 46 Bixad Tenement

No fieldwork was completed on the tenement

### 1.6 Exploration License No. 85 Racşa-Zugau Tenement

Geochemical sampling completed at the Racşa-Zugau prospect has identified a substantial anomaly with a peak gold value of 406ppb, located over the interpreted position of mineralisation reported by the Romanian State during the 1960's. An additional Au-As-Hg anomaly located at the NE corner of the survey area has been identified and requires further detailed work.

### 1.7 Exploration License No. 698 Racşa Sud-Est Tenement

Detailed evaluation of geochemical data from the Tarniţa and Ţigher surveys was completed during the quarter. In-fill sampling is to be completed during the 2nd quarter, to better define an extensive coincident Au-Ag-Hg anomaly that has been identified at Tarniţa. Several anomalies were identified at the Ţigher prospect, an interpreted maar volcano, that will be followed up with in-fill geochemical sampling and drill testing during the 2nd quarter.

Yours faithfully
**PETER GUNZBURG**
Executive Chairman

*Rule 5.3*

# Appendix 5B

## Mining Exploration Entity Quarterly Report

Origin: Appendix 8

Name of Entity

EUROGOLD LIMITED

| CAN | Quarter Ended ("Current Quarter") |
|---|---|
| 009 070 384 (002) | **31st March 2003** |

## Consolidated Statement of Cash Flows

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

| **Cash Flows Related to Operating Activities** | | | Current Quarter<br>$A'000 | Year to Date<br>(9 months)<br>$A'000 |
|---|---|---|---|---|
| 1.1 | Receipts from product sales and related debtors | | 87 | 560 |
| 1.2 | Payments for | (a) exploration and evaluation | -145 | -703 |
| | | (b) development | - | - |
| | | (c) production | - | - |
| | | (d) administration | -165 | -843 |
| 1.3 | Dividends received | | - | - |
| 1.4 | Interest and other items of a similar nature received | | 2 | 4 |
| 1.5 | Interest and other costs of finance paid | | - | - |
| 1.6 | Income taxes paid | | - | - |
| 1.7 | Other – (GST & VAT Refunds) | | 7 | 38 |
| | **Net Operating Cash Flows** | | -214 | -944 |
| | **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 | 29 | 605 |
| | | (c)other fixed assets | - | - |
| 1.10 | Loans to other entities (Explorer SA) | | -72 | -753 |
| 1.11 | Loans repaid by other entities | | - | - |
| 1.12 | Other | | - | - |
| | **Net Investing Cash Flows** | | -43 | -581 |
| 1.13 | Total operating and investing cash flows (carried forward) | | -257 | -1525 |

| | | | |
|---|---|---|---|
| 1.13 | Total operating and investing cash flows (brought forward) | -257 | -1525 |
| | **Cash Flows Related to Financing Activities** | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | 355 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | 96 | 767 |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (Capital Raising Costs) | -48 | -94 |
| | **Net Financing Cash Flows** | 48 | 1028 |
| | **Net Increase (Decrease) in Cash Held** | -209 | -497 |
| 1.20 | Cash at beginning of quarter/year to date | 467 | 767 |
| 1.21 | Exchange rate adjustments to 19 | -2 | -14 |
| 1.22 | **Cash at End of Quarter** | 256 | 256 |

**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 | 49,816 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | 1,641,874 |

1.25 Explanation necessary for an understanding of the transactions

Consulting fees paid to Gerise Pty Ltd , a company associated with Mr B Montgomery a Director of Eurogold; 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 | -200 |
| 4.2 | Development | - |
| | **Total** | -200 |

## 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 | 37 | 25 |
| 5.2 | Deposits at call | 219 | 442 |
| 5.3 | Bank overdraft | - | - |
| 5.4 | Other | - | - |
| | **Total: Cash at End of Quarter** (item 1.22) | 256 | 467 |

## 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)* | ** | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil |
| 7.8 | Issued during quarter | Nil | Nil | N/Applicable | N/Applicable |
| 7.9 | Exercised during quarter | Nil | Nil | Nil | Nil |
| 7.10 | Expired during quarter | Nil | Nil | N/Applicable | N/Applicable |
| 7.11 | **Debentures** *(totals only)* | Nil | Nil | | |
| 7.12 | **Unsecured Notes** *(totals only)* | Nil | Nil | | |

## 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:30 April 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* apply 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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