EUROGOLD
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31 October 2003

The Manager
Company Announcements Office
Australian Stock Exchange
SYDNEY NSW 2000

Via Electronic Transmission

Dear Sir

QUARTERLY REPORT – SEPTEMBER 2003

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

TRANSGOLD S.A. (Eurogold 50%)

1.0 Summary

As previously reported, Transgold achieved a significant breakthrough during the quarter successfully applying a biological leaching process to treat a State owned pyrite concentrate containing some 170,000 ounces of gold equivalent.

Net revenue for the quarter amounted to US$3.59m with an average gold price of US$366/oz.

Transgold has drawn down on the first tranche of a short term financing facility to provide working capital and for the development of the Central tailings project. The terms of the loan are very competitive with an interest rate of approximately 6%.

Transgold has successfully completed and commissioned the construction of a 10,000 tpm hard rock ore crushing facility at the treatment plant site. The project was completed within budgeted cost.

2.0 Production

A total of 76,069 tonnes of ore was treated during the quarter. A slight improvement in supply was due to the better weather and operating conditions.

Overall, the quantity of gold recoveries for the period have continued to remain low due to the ceasing of economic mining from the Meda tailings dam and reliance on being able to source and economically treat various types of concentrate material. However, in September industrial trials were undertaken to treat the Suior pyrite material. Given the successful conclusion of the trials, a stockpile of 525,000 tonnes will be available for processing containing a head grade of Au @ 11g/t and Ag @ 40g/t.

During the period a total of 6,946 ounces of gold was recovered from toll treatment and concentrate campaigns. A further 692 ounces were recovered from toll refining services provided to third parties.

Transgold continued its purchasing programme for concentrates, whereby material is sourced throughout Romania and transported to the plant for treatment. The concentrates acquired include pyrites, muds and other concentrate resources with moderate to high gold and silver contents that are treated in batches, together with the treatment of Remin ore toll feed. Transgold maintains only a small reserve stockpile from on-site deliveries of concentrate, which form part of the overall feedstock.

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. The construction of test cells that are to be used for trials due to commence in the next quarter was completed. A visit to the site is planned in early October by project member representatives to plan for the next stage of the project.

3.0 EXPLORATION

3.1 Sasar-Valea Rosie Tenement (Eurogold 50%) – Exploration Licence No 22

Soil geochemistry was completed on a 100m x 100m grid over 1.4km2 of the Borzaş prospect. Three very strong and discrete Au-Ag-As (Ba-Cu-Hg-K-Sb-Tl) anomalies with peak values of 2210, 885 and 697ppb Au were revealed. The strongest anomaly is located over the Borzaş stockwork deposit that is currently being mined from underground by Remin, the state mining company. The other two anomalies are situated over known mineralisation that has either been partially exploited or drill tested from underground. The survey clearly identified the three known mineral occurrences in the area but failed to indicate any additional mineralisation.

A scoping study was completed to assess the economic viability of mining the high-grade portion of the Aurum deposit. The study concluded that the project may be economically viable at a gold price of $325/oz, but additional drilling and trenching is required to validate the resource that is currently inferred to be 310,000 tonnes at 2.4g/t Au and 10g/t Ag.

Results were received for the final holes drilled at the Sophia-Popradel prospects during June but there was little significant mineralisation reported. Significant intersections are presented below.

- SDD-13: 0.7m @ 2.74g/t Au and 9.8g/t Ag
  0.6m @ 1.20g/t Au and 4.5g/t Ag
- SDD-14: 2.2m @ 1.35g/t Au and 2.0g/t Ag
  0.7m @ 1.80g/t Au and 1.9g/t Ag

3.2 Baita-Nistru Tenement (Eurogold 50%) – Exploration Licence No 23

Diamond drilling, channel sampling, and trenching continued on the Baiţa-Nistru tenement during the June quarter. The majority of the work was directed at the III Lapuşna and Pintinul Handal prospects.

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 1km, 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. Channel sampling during 2002 along the footwall of the vein indicated high-grade remnant mineralisation and continuation of this sampling to the NE has now covered more than 600m along the strike of the vein. Assay results received for channel sampling during the quarter are tabulated below.

Table 1
Significant trench and channel sample intersections from III Lapuşna footwall.

Work	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)	Comments
Trench S-98	17.5	31.0	13.5	3.93	10.3	Backfill
Channel D-101	0.0	3.0	3.0	8.18	8.0	Pillar
Channel D-105	15.0	42.0	27.0	2.70	6.8	Along strike
Channel D-107	30.0	37.0	7.0	4.28	4.0	Pillar

Two diamond drill holes were completed to test veins I and II Lapuşna, located to the east of the Nistru open pit.

Table 2
Drill hole results from the I and II Lapuşna prospect during the September quarter

Work	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)	Comments
TLDD-14	0	3.3	3.3	2.96	6.8	I Lapuşna Vein
TLDD-15	21.2	33.1	11.9	1.94	4.4	II Lapuşna Vein

A review of all data from the Lapuşna veins is to be completed before any further work is conducted.

Drilling and trenching commenced during the quarter at the Pintenul Handal prospect where soil geochemistry delineated a NE-SW striking, 250m long and 90m wide zone of quartz veining and intense silicification, located above the 11th June deposit. Rock chip sampling has returned grades up to 7.9g/t Au from quartz veining within intensely silicified rhyodacite and sediments. Two trenches and one diamond drill hole were completed from a four hole programme during the quarter. Assay results are anticipated during the December quarter.

Soil geochemical results were received for the 4.7km2 Mihai-Nepomuc survey of which approximately 1.7km2 falls within the Baiţa-Nistru tenement. A small Au-As-Hg-K-Sb-Tl anomaly was delineated near the SE limit of the survey on the boundary between the Baiţa and Racşa SE tenements. The peak gold value was only 53ppb however there are very high coincident As (1030ppm), Hg (1.58ppm), K (2860ppm), Sb (19.9ppm) and Tl (15.0ppm) values. The anomaly may reflect the SW limit of the Nistru-Lapuşna mineralisation.

Remin has commenced some stripping at the Nistru pit but ore production is yet to commence. In full production the operation is expected to provide 10,000 tonnes per month of additional toll treatment feed for the Transgold plant. The pit has a probable reserve of 713,000t at 1.8g/t Au.

3.3 Ilba-Nucut Tenement (Eurogold 50%) – Exploration Licence No 24

Diamond drilling, trenching and soil geochemistry were conducted on the Ilba-Nucuţ tenement during the September quarter.

Five diamond drill holes for a total of 492m were drilled at the Purcaret south prospect during the quarter to test an interpreted breccia zone in the vicinity of Veins 520, 523, 524 and 540 Purcareţ. All holes intersected locally brecciated, argillic altered andesite with significant quartz veining, typically 1-2m wide to a maximum of 4.9m. Assay results are only available for the first hole, F1-Pc, which were disappointing with a best intersection of 1.5m at 3.02g/t Au.

Assay results were received for the extensions to two trenches (S-68 and 92) excavated across the Purcareţ North breccia zone. The breccia zone is highly anomalous but assay values were sub-grade.

- S-68: 104m Au 0.1-1.0g/t with an average grade of 0.3g/t
- S-92: 82m Au 0.2-6.9g/t with an average grade of 0.6g/t

Results were received for 2 trenches at the Mihai-Nepomuc prospect. Trenches S-96 and 97 were excavated 100m and 50m SE of where drill holes F-1, F-3 intersected significant mineralisation, including 16.8m at 2.7g/t Au. The trenches intersected intensely brecciated and argillic altered, locally silicified pyroxene andesite with quartz veining and iron oxides but Au grades did not exceed 0.86g/t.

Soil geochemical samples were collected over 0.4km2 of the tenement as part of a larger 2.2km2 Beneci survey, situated over the NW end of the Mihai-Nepomuc lineament. A strong anomaly was identified with maximum values of 303ppb Au, 7.5ppm Ag and 549ppm As.

A total of 298 soil samples were collected over the Fața Mare prospect on a 100m x 100m grid, infilled to 100m x 50m in the Fața Mare vein area. The prospect covers a large area and hosts numerous vein sets and a breccia zone. The survey was undertaken in an attempt to identify mineralised trends and/or bulk mineable mineralisation located outside of the known veins. Assay results are expected by late October.

A 54 sample programme was completed to join the Purcareț north and Mihai-Nepomuc surveys.

Overburden stripping of the Hanau pit commenced during the quarter.

EXPLORER S.A. (Eurogold 98%)

4.0 Summary

Exploration on the tenements during the September quarter focussed on continued regional soil geochemistry and the follow up of previously identified anomalies on the extensive and largely unexplored Racşa Sud-Est tenement. Trenching and drilling identified the source of several geochemical anomalies but failed to intersect significant mineralisation.

4.1 BIXAD Tenement (Eurogold 98%) - Exploration License No 46

No activity reported for this quarter

4.2 RACŞA - ZUGAU Tenement (Eurogold 98%) - Exploration License No 85

Exploration activity on the Racşa-Zugau tenement for the quarter consisted of soil geochemistry, trenching and data review.

216 soil geochemical samples were collected from the Beneci – Valea Pleşa - Sienel area over a 2.2km2 NW-SE oriented zone straddling the Racşa Zugau (102 samples), Racşa Sud-Est (75 samples) and Ilba (39 samples) tenements. A strong As-Ba-Sb-Tl anomaly was revealed near the SE corner of Racşa-Zugau but the coincident precious metal anomalism is weak, 34ppb Au and 2.7ppm Ag. The anomaly indicates the area has been subjected to significant hydrothermal alteration but the element suite suggests that the current surface may be too high in the system.

Three trenches (S-6, 7 and 8) were excavated during August in the Beneci-Sienel area of SE Racşa-Zugau. The trenches intersected strongly altered pyroxene andesites with zones of silicification and quartz veining up to 6m wide. Assay values are awaited.

Old sampling data collected by the Romanian State during the 1960's and early 1970's from the Racşa-Zugau deposit was recently made available to Explorer. Early reports had quoted a resource for the prospect of approximately 600,000t at 2.0g/t but drilling by Explorer during 2001 failed to corroborate the mineralisation. The reports that have recently become available however, reveal that there were significant analytical errors during the early work and subsequent reanalysis of samples during the 1970's indicate that the resource grade is considerably lower, approximately 0.8g/t Au.

4.3 RACŞA SUD-EST Tenement (Eurogold 98%) - Exploration License No 698

Tarniţa Prospect

Several trenches were excavated across soil geochemical anomalies in the Tarniţa area and although they confirmed the source of the anomalies, by exposing structures with strong alteration, there was no significant mineralisation intersected.

Two diamond drill holes, MDD-1 (61m) and MDD-2 (87m), were completed during July at the Muncei prospect, located approximately 700m NE of Salvador. The holes targeted a zone of hydrothermal brecciation and quartz veining that had returned strongly anomalous gold values during previous trenching. Both holes intersected strongly argillic, propyllitic and pyrite altered andesites with quartz veining but failed to intersect significant mineralisation.

Ţigher Prospect

A single trench (S-78) was excavated across a 250m long geochemical anomaly at Ţigher north. The 31.8m trench intersected locally brecciated quartz-andesite pyroclastics with a 4m zone of intense silicification, argillic alteration and iron oxide staining, however there was no significant gold mineralisation

A hole drilled to test an interpreted Maar volcano target at Ţigher Peak intersected argillic altered and silicified andesite breccia beneath a sedimentary cap. Assay results are not yet available but a lack of quartz veining suggests that the prospect is unlikely to host significant mineralisation.

Mihai-Nepomuc Prospect

Assay results were received for the Mihai-Nepomuc geochemical survey that was completed during June. The survey covers a projected extension of the Mihai-Nepomuc lineament over the Ilba, Racşa-Zugau and Baiţa tenements. There was no anomalism recognized from the 45 samples collected on the Racşa SE tenement due to the widespread occurrence post-mineralisation andesitic intrusives. A strong anomaly was identified on the Ilba tenement over which infill sampling will be conducted during the December quarter.

Beneci Prospect

As mentioned above, a soil geochemical survey was completed over 2.2km2 of the Beneci area, located across 3 tenements, including 0.75km2 of the Racşa Sud-Est tenement, between Racşa-Zugau and Ilba. Only one moderate Au-Ag-As anomaly was identified on Racşa SE. A strong and extensive multi-element anomaly was delineated across the tenement boundary on the Ilba tenement.

5.0 CAPITAL PROJECTS

A revised feasibility study is to be undertaken for the development of mining at the Central tailings dam. The technical design work for the pipeline and corridor has been completed. A finance facility is required and two banks have been shortlisted to provide project finance with approval expected within the next quarter. The Central project has a revised estimate of over 8m tonnes of recoverable gold at a recoverable rate of 0.49g/t. This project should provide a reliable base feedstock to Transgold for over four years and will assist considerably to reduce fixed costs per unit treated.

Table 3
Production Statistics

		Sept Qtr 2003	June Qtr 2003
Concentrate material moved	tonnes	9,227	5,310
Toll ore treated	Tonnes	66,842	62,458
Processing – CIL			
Dry tonnes treated	Tonnes	76,069	67,768
Total Gold Produced	Ounces	7,638	7,768
Total Silver Produced	Ounces	30,248	29,450
Cash Operating Costs	US$/t	310	337

6.0 Gold Sales

The average realised bullion gold price for the quarter was US$366/oz. The cash operating margin improved slightly due to the combination of the higher proportion of high grade tonnes in throughput and a good movement of increasing gold prices.

Gold sales reflect a slightly higher contribution from Remin toll ore and the benefit of a rising gold price.

All sales of gold and silver were into the spot market as no hedging instruction instruments were applied in the quarter. Transgold currently has no hedging instruments in place.

Table 4
Gold Sales

Sales		3 months to 30 Sep 2003	3 months to 30 Jun 2003
Total Bullion Sales			
Gold	Ounces	8,475	6,951
Silver	Ounces	30,348	29,451
Average Realized Prices			
Gold	US$	366	350
Silver	US$	5.01	4.51
Toll Treatment Revenue	$US000	779	749

Hedging

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

REGULATORY ISSUES

SC Aurul SA (now SC Transgold 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. For the fifth court hearing on the 26th May 2003, the Hungarian Court has delayed proceedings pending the appointment of a new judge to the case and the re-consideration of evidence submitted to date. The next Court hearing will be set at a date to be announced.

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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 estimation and evaluation of mineral resources, which is relevant to the style of mineralisation under consideration.

Yours faithfully
PETER GUNZBURG
Executive Chairman
EUROGOLD LIMITED

Rule 5.3

Appendix 5B

Mining Exploration Entity Quarterly Report

Origin: Appendix 8

Name of Entity

EUROGOLD LIMITED ("EUG")

CAN	Quarter Ended ("Current Quarter")
009 070 384 (002)	**30 September 2003**

Consolidated Statement of Cash Flows

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

			Current Quarter $A'000	Year to Date (3 months) $A'000
	Cash Flows Related to Operating Activities			
1.1	Receipts from product sales and related debtors		155	155
1.2	Payments for	(a) exploration and evaluation	-211	-211
		(b) development		
		(c) production		
		(d) administration	-156	-156
1.3	Dividends received			
1.4	Interest and other items of a similar nature received		8	8
1.5	Interest and other costs of finance paid			
1.6	Income taxes paid			
1.7	Other – (GST & VAT Refunds)		-3	-3
	Net Operating Cash Flows		-207	-207
	Cash Flows Related to Investing Activities			
1.8	Payment for purchases of:	(a) prospects		
		(b) equity investments	-9	-9
		(c) other fixed assets		
1.9	Proceeds from sale of:	(a)prospects		
		(b)equity investments	79	79
		(c)other fixed assets	28	28
1.10	Loans to other entities (Explorer SA)		-225	-225
1.11	Loans repaid by other entities			
1.12	Other			
	Net Investing Cash Flows		-127	-127
1.13	Total operating and investing cash flows (carried forward)		-334	-334

1.13	Total operating and investing cash flows (brought forward)		
	Cash Flows Related to Financing Activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	222	222
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (Capital Raising Costs)		
	Net Financing Cash Flows	222	222
	Net Increase (Decrease) in Cash Held	-112	-112
1.20	Cash at beginning of quarter/year to date	1,037	1,037
1.21	Exchange rate adjustments to 1.20	-5	-5
1.22	**Cash at End of Quarter**	920	920

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
1.24	Aggregate amount of loans to the parties included in item 1.10	1,724

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	-157
4.2	Development	-
	Total	-157

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	26	74
5.2	Deposits at call	894	963
5.3	Bank overdraft		
5.4	Other		
	Total: Cash at End of Quarter (item 1.22)	920	1037

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**	116,165,208	116,165,208	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 Nil	Nil Nil	Nil 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: P L GUNZBURG Date:31 October 2003
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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