



For Immediate Release

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### **Higher Albion Process Gold Recoveries at Certej**

European Goldfields Limited (AIM: EGU / TSX: EGU) is pleased to announce that additional results of batch metallurgical testwork indicate a substantial increase in gold recoveries for its Certej project in Romania.

The new results using the Albion Process at optimised oxidation conditions suggest recoveries from concentrates of approximately 96% for gold, compared to previously reported recoveries of 84%. Silver recoveries remain stable, averaging 92%.

This follows the adoption of an all alkaline leaching process, eliminating the acid step which was initially used. The new results also show that there is scope to reduce reagent consumption and that cyanide destruction is achievable. This test was conducted on samples from the East zone of the deposit.

European Goldfields expects to publish Canadian NI 43-101 compliant reserves based on the Albion Process later this year, after completion of a Stage III pilot plant scale continuous testwork programme.

The Albion Process is a combination of ultra-fine grinding and oxidatative leaching at atmospheric pressure. Hydrometallurgy Research Laboratories (a subsidiary of Xstrata PLC) of Australia has completed Stages I and II of a metallurgical testwork programme using the Albion Process from samples of flotation concentrates produced from Certej ore.

European Goldfields recently identified the use of Albion Process technology to process Certej gold concentrates prior to cyanidation as an attractive solution for the production of gold doré on site. The Albion Process is an alternative development route to the option of selling gold rich pyrite concentrates produced at Certej, for which the Canadian NI 43-101 compliant reserves have already been published in April 2006. Production and sale of gold doré is expected to significantly increase project profitability and returns.

Commenting on these test results, David Reading, Chief Executive Officer of European Goldfields, said: *"We are encouraged by these positive results using the Albion Process. We now have the flexibility of two viable development options for the Certej project. The project is robust at \$425/oz gold and \$7/oz silver. Having identified a clear path to permitting, we now look forward to accelerating the development of the project in the coming months."*

***Clear path identified for Certej permits*** – European Goldfields has completed all necessary Environmental Impact Assessments (EIA Levels I and II) for its Certej project. European Goldfields is now completing an Environmental Impact Study (EIS) and a feasibility study, in support of an application for mining permits expected to be submitted by end-2006. ECOIND and Cepromin, Romanian companies with well-proven track records in environmental research and permitting procedures, have been employed to assist in this process.

## **About European Goldfields**

European Goldfields Limited (the “Company”) is a resource company involved in the acquisition, exploration and development of mineral properties in Greece, Romania and the Balkans.

**Greece** – The Company holds a 65% interest in Hellas Gold S.A. (“Hellas Gold”). Hellas Gold owns assets in northern Greece which consist of three deposits within 70-year mining concessions covering a total area of 317 km<sup>2</sup>. The deposits include the polymetallic projects of Stratoni and Olympias which contain gold, lead, zinc and silver, and the copper/gold porphyry body referred to as Skouries. All three deposits have been well defined with over 200,000 metres of drilling and the completion of feasibility studies and later engineering studies.

The total proven and probable reserves of these assets are 7.6 Moz gold, 65.8 Moz silver, 0.7 Mt copper, 0.7 Mt lead and 0.9 Mt zinc, from a measured and indicated resource base of 9.4 Moz gold, 74.5 Moz silver, 1.0 Mt copper, 0.8 Mt lead and 1.1 Mt zinc (65% attributable).

These assets represent some of the largest defined deposits in Europe. The three deposits are located within a 10 km radius of each other, making this effectively a gold and base metals centre. Furthermore, both Stratoni and Olympias were previously in production and have extensive existing mining and plant infrastructure and a ship-loading facility on the Aegean Sea.

Hellas Gold’s assets also include revenue-generating stockpiles of gold concentrates.

In September 2005, Hellas Gold resumed production at Stratoni following the award by the Greek State of all necessary environmental and mining permits. Hellas Gold is in the process of applying for similar permits for Olympias and Skouries, having met its first milestone by submitting business plans to the Greek government in January 2006.

**Romania** – The Company holds four mineral properties located within the “Golden Quadrilateral” area of Romania. The Company recently announced the conversion of resources into Canadian NI 43-101 compliant reserves for its 80%-owned Certej project, underpinning the value of the project. The Certej deposit hosts probable reserves of 27.7 Mt grading 2.0 g/t gold and 11.6 g/t silver for 1.76 Moz gold and 10.35 Moz silver (80% attributable). The Company is now completing a final feasibility study for submission to the Romanian government by the end of 2006, in support of an application for environmental and mining permits to develop the Certej project.

## **Resources & reserves parameters**

For additional information on the resource and reserve estimates quoted in this news release, please refer to the Company’s Resources & Reserves Declaration at [www.egoldfields.com/goldfields/resources.jsp](http://www.egoldfields.com/goldfields/resources.jsp). Patrick Forward, General Manager, Exploration of the Company, was the Qualified Person under Canadian National Instrument 43-101 responsible for reviewing the disclosure of resource and reserve estimates quoted in this news release.

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**Forward-looking statements**

Certain information included in this news release, including any information as to the Company's future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute "forward-looking statements". The words "expect", "will", "intend", "estimate" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from its estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to: changes in the worldwide price of gold, base metals or certain other commodities (such as fuel and electricity) and currencies; the successful and timely permitting of the Company's Skouries, Olympias and Certaj projects; legislative, political, social or economic developments in the jurisdictions in which the Company carries on business; operating or technical difficulties in connection with mining or development activities; the speculative nature of gold and base metals exploration and development, including the risks of diminishing quantities or grades of reserves; and the risks normally involved in the exploration, development and mining business. These factors are discussed in greater detail in the Company's Annual Information Form for the year ended 31 December 2005, filed on SEDAR at [www.sedar.com](http://www.sedar.com). The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.