

29 July 2022

**ASX: EMS**

ACN 643 902 943

**CAPITAL STRUCTURE**

Share Price: A\$0.135

Cash: A\$3.9M

Debt: Nil

Ordinary Shares: 54.5M

Market Cap: A\$7.4M

Enterprise Value: A\$3.5M

Options: 24.6M (3years/30c)

**BOARD OF DIRECTORS****Robert Duffin**

Non-Executive Chairman

**Wayne Rossiter**

Managing Director &amp; CEO

**Cathy Moises**

Deputy Chair &amp; Lead

Independent Non-Executive  
Director**Dr Jason Berton**Independent Non-Executive  
Director**COMPANY SECRETARY**

Ian Morgan

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## Quarterly Activities Report

For the period ending 30 June 2022

### Key Highlights

#### Cobar Project

- High grade assays received from maiden four-hole drilling program at Browns Reef led to the **discovery** of the **Evergreen Lode**
- Mineralised intervals include<sup>1</sup>:
  - BRD016: **6.0m @ 3.2% Zn**, 1.3% Pb, 0.12% Cu, 8.6 g/t Ag and 0.3 g/t Au from 453.5m;
  - BRD017: **13m @ 5.4% Zn**, 2.3% Pb, 0.14% Cu, 11.5 g/t Ag and 0.9 g/t Au from 225m including **2m @ 14.6% Zn**, 5.1% Pb, 0.22% Cu, 22.5 g/t Ag and 0.5 g/t Au from 225m;
  - BRD018: **16m @ 4.1% Zn**, 1.6% Pb, 0.33% Cu, 27.5 g/t Ag and 0.4 g/t Au from 251m including **6m @ 7.3% Zn**, 2.3% Pb, 0.58% Cu, 47.7 g/t Ag and 0.9 g/t Au from 251m;
  - BRD019: **12.5m @ 8.1% Zn**, 2.6% Pb, 0.10% Cu, 17.3 g/t Ag and 0.5 g/t Au from 269.5m including **8.5m @ 9.8% Zn**, 2.7% Pb, 0.12% Cu, 22.9 g/t Ag and 0.6 g/t Au from 269.5m, and two significant Cu-rich zones which averaged 1.9% Cu over 4m from 279m and 1.4% Cu over 3m from 295m.
- A follow up diamond drilling program, aimed at **extending the Evergreen Discovery Zone at Browns Reef**, progressed during the quarter.

<sup>1</sup> ASX – EMS 26 April 2022 “High Grade Zinc Zone Discovered at Browns Reef”

- Two holes drilled to the south (BRD020 and BRD021) of the high-grade zone identified during the March and June quarters this year intersected disseminated and massive sulphides<sup>2</sup>
- Both holes intersected zones of significant zinc and lead sulphide mineralisation, recognised by logging of drill core
- Drilling program was suspended due to difficult access conditions following a long period of abnormal rains in the Central West of New South Wales
- Two additional holes planned to test for extensions of the Evergreen zone to the north as part of the current program have been deferred, and will be drilled after the ground dries out and access conditions permit
- The Evergreen lode zone has now been identified over a strike length of more than 150m and vertical depth of 300m and remains **open along strike in both directions, and at depth**<sup>2</sup>

## Arunta Project

- All approvals were received to commence exploration in the Neutral Junction Station - Barrow Creek area, including drilling at the Home of Bullion copper mine
- Soil sampling orientation traverses commenced focussing on known areas of copper anomalism on trend from the Home of Bullion copper mine
- Up to \$142,000 in Northern Territory Government funding support granted which will be used for drilling program at Home of Bullion copper mine
- Drilling at Home of Bullion commenced in July

## Corporate

- Completed acquisition of Neutral Junction Project in the Arunta Province, Northern Territory, from Bowgan Minerals Limited
- \$3.9 million in cash as of 30 June 2022

Eastern Metals Limited (**ASX: EMS**) ("**Eastern Metals**", "**Eastern**" or "the **Company**") is pleased to release its quarterly report for the period ending 30 June 2022.

Eastern Metals is an Australian base and precious metals exploration company which owns three Projects in the Northern Territory and New South Wales. Each of these Projects consists of from one to three granted exploration licences.

Eastern Metals' flagship assets, acquired from Kidman Resources (now owned by Wesfarmers), are the Browns Reef zinc-silver-lead- deposit, part of the Cobar Project, which has an Exploration Target of 27 to 37 million tonnes averaging between 1.3-1.4% zinc, 0.6- 0.7% lead, 9-10g/t silver and 0.2-0.3%

<sup>2</sup> ASX – EMS 27 June 2022 "Evergreen Discovery Zone Expanded at Browns Reef"

copper and the Home of Bullion deposit at Barrow Creek, part of the Arunta Project, which hosts a total Identified Mineral Resource of 2.5 million tonnes averaging 1.8% copper, 2.0% zinc, 36g/t silver, 1.2% lead and 0.14g/t gold (2.8% Cu<sub>Eq</sub>).

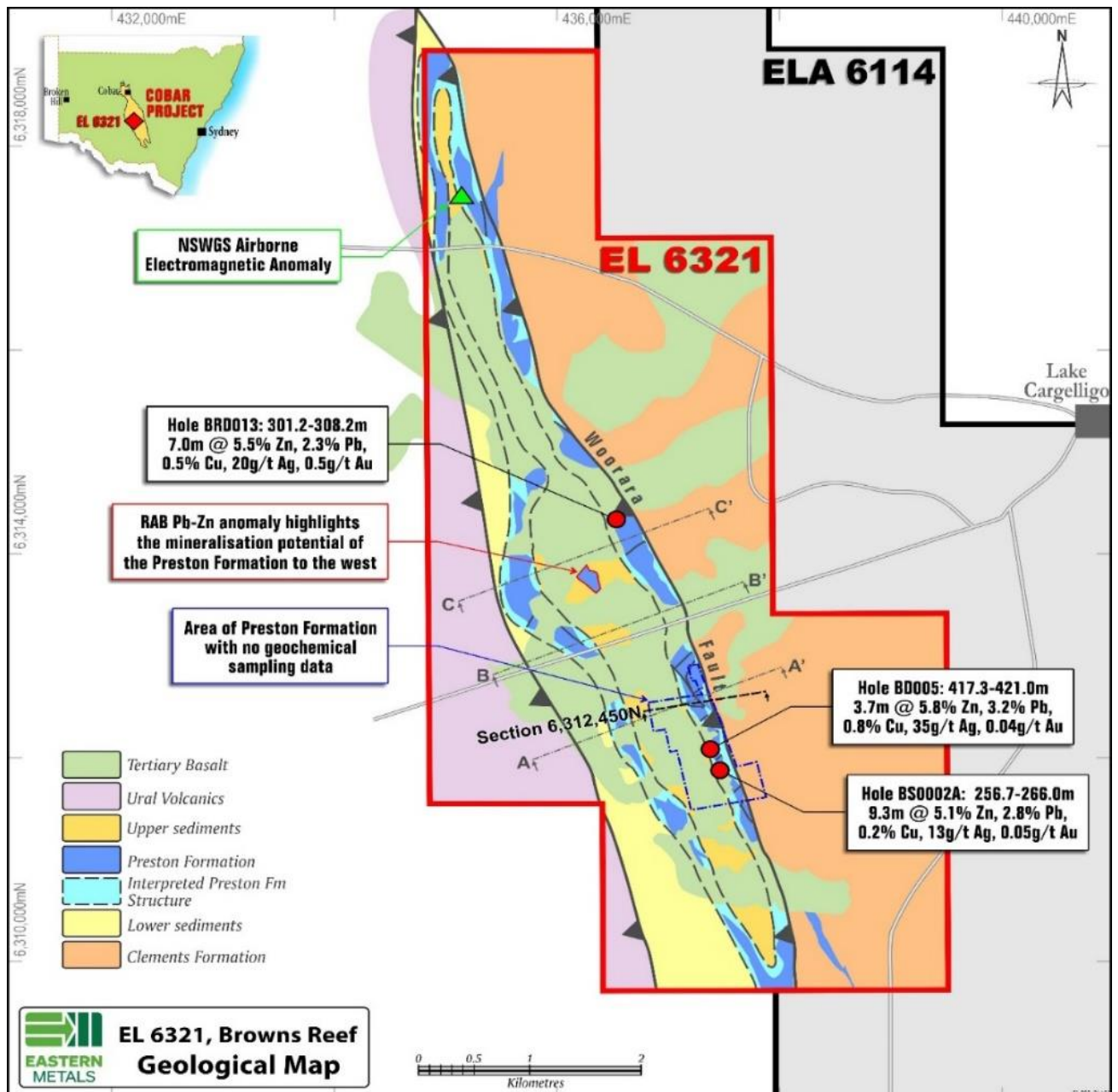
## Exploration Update

### Cobar Project

Activity during the quarter in the Cobar Project was focused on the **Evergreen Lode discovery** at Browns Reef. Assay results have been received from the first 4-hole diamond program, following up on the high grade BRD013 drill hole previously drilled by Kidman Resources Limited. Assay results from the first 4 holes were received in the quarter, which confirmed the discovery of the high-grade Evergreen Zone with significant widths and grade of mineralisation<sup>1</sup>. During the quarter, an additional 2 holes were drilled to the south of the defined mineralised envelope which intersected areas of visual massive sulphides – assays results remain pending. The lode has now been identified over a strike length of more than 150m and vertical depth of 300m and remains **open along strike in both directions and at depth**<sup>3</sup>.

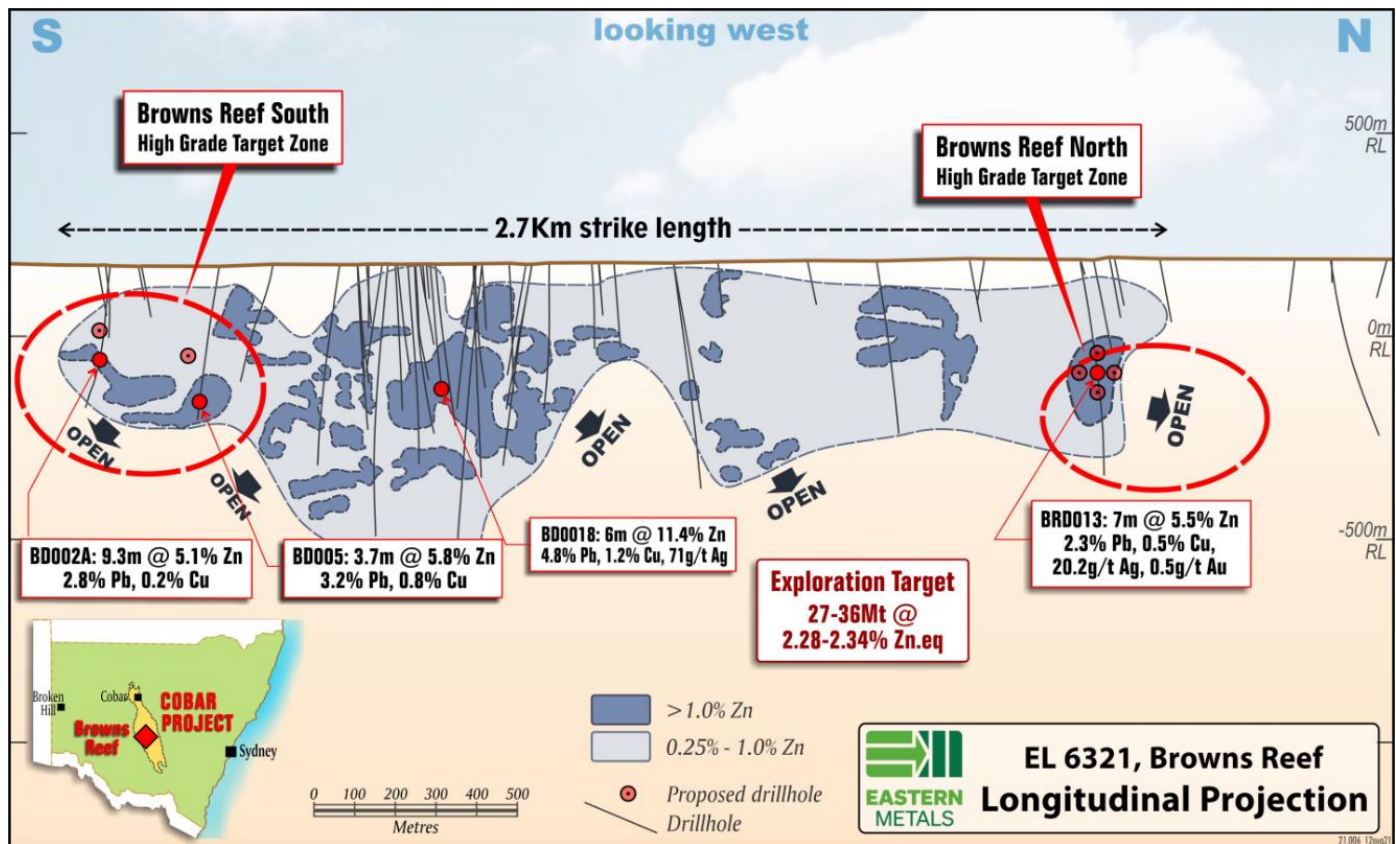
Browns Reef lies 5km to the west of the town of Lake Cargelligo, approximately 470km west of Sydney. The area surrounding the Browns Reef base-metal deposit is utilised for agricultural purposes, including grazing and cropping. The known deposit at Browns Reef occupies a small part of the tenement. Most of the historical deeper drilling to date has been confined to a zone approximately 2.7km long in the central to southern part of the tenement and is situated on the eastern flank of the interpreted 9km long syncline structure.

<sup>3</sup> ASX – EMS 27 June 2022 "Evergreen Discovery Zone Expanded at Browns Reef"



**Figure 1.** Interpreted Browns Reef structure with the location of the previous high grade broad intersections which are the initial focus of Eastern Metals' exploration.

An Exploration Target of 27 to 37 million tonnes averaging between 1.3-1.4% zinc, 0.6- 0.7% lead, 910g/t silver and 0.2-0.3% copper has been reported for Browns Reef. Eastern Metals' strategy to date has been to identify, based on previous drilling, areas within the Exploration Target envelope where higher grade zones of base metal mineralisation may occur. The two principal higher grade target zones are shown in the long section in Figure 2. Drilling of the northern target area by Eastern Metals has resulted in the discovery of the Evergreen Zone. Drilling of the southern target zone detailed in Figure 2 has not yet commenced.



**Figure 2.** Long section of Browns Reef deposit previously drilled which identifies the Browns Reef North “High Grade Target Zone”, now known as the Evergreen Zone.

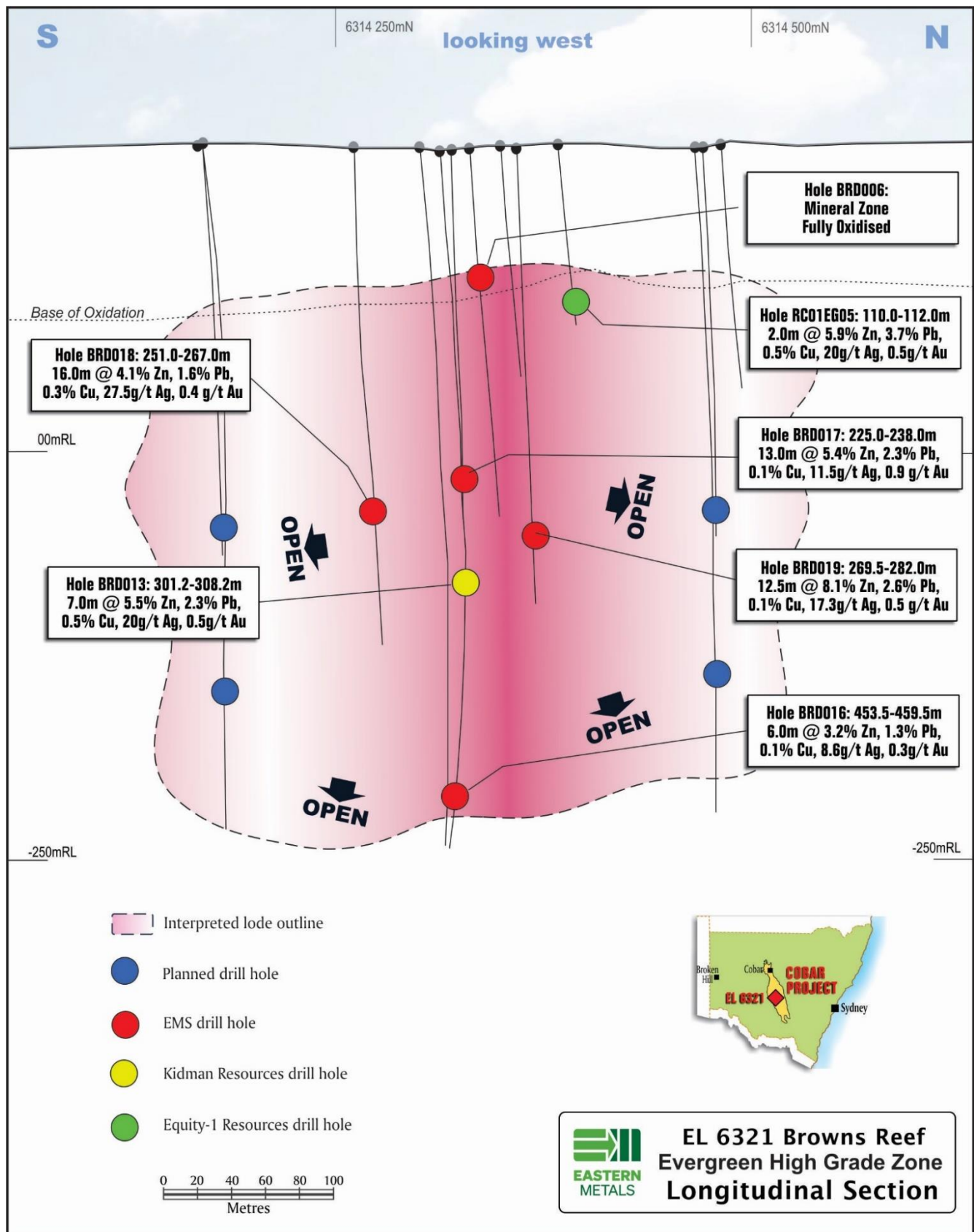
The second round of drilling commenced with hole BRD020 in late May. This program involved step-out drilling along strike from the Evergreen Zone, which was discovered in the Company’s maiden drilling program earlier this year.

**The drilling was designed to extend the Evergreen Zone along strike to both the north and the south.**

The two holes drilled in this round of drilling to the south intersected zones of significant zinc and lead sulphide mineralisation, based on visual logging of drill core. Hole **BRD020** intersected **6.4m** of massive and disseminated sulphides from **198.4 to 204.8m** down hole, and hole **BRD021** intersected **9.1m** of massive and disseminated sulphides from **293.5m to 302.6m** down hole. Core from the mineralised intersections has been cut and sent to a laboratory for assaying, with results pending. It will not be until the assay results become available that the true significance of these intersections is known<sup>4</sup>.

<sup>4</sup> ASX – EMS 27 June 2022 “Evergreen Discovery Zone Expanded at Browns Reef”





**Figure 3.** Long Section of Browns Reef Evergreen Zone.

A long section, for that part of the Browns Reef deposit now known as the Evergreen Zone, is shown in Figure 3 above. This drawing shows in red the pierce points for the six holes drilled to date by Eastern Metals, those drilled by other companies are in yellow and green, and the two additional holes intended

to be drilled by Eastern Metals as part of the current program (deferred due to difficult access conditions) are in blue<sup>2</sup>.

Lake Cargelligo's mean rainfall to June is 217 mm. For the 2022 calendar year, more than 499 mm of rain has fallen to date. This has made access difficult for heavy equipment like drill rigs. The latest drilling program was suspended due to difficult access conditions following a long period of abnormal rains in the Central West of New South Wales. Two additional holes, which were planned to test for extensions of the Evergreen zone to the north as part of the last program, have been deferred and will be drilled after the ground dries out and access conditions permit.

## Arunta Project

Activity in the quarter at the Arunta Project was focused on obtaining all requisite approvals to conduct field operations in the Northern Territory. A Land Access and Compensation Agreement was entered into in late 2021 with the owners of the Neutral Junction. Applications were made through the Central Land Council for new Sacred Site Clearances Certificates (SSCC's) in late 2021, which were required before the Company could undertake any field work at EL23816 - on which the Home of Bullion Copper mine is located. During the quarter, the Company had the Mine Management Plan for Home of Bullion approved by the Northern Territory Government and the SSCC's were received late in June from the Central Land Council. Field work commenced on 4 July and drilling operations commenced at Home of Bullion on 22 July 2022.

In advance of drilling activities, in preparation for the work programs, an initial reconnaissance visit to the Northern Territory's Barrow Creek area was completed in early June. The purpose of this visit was to reconnoitre soil sampling traverses, which the Company plans to test for lithium bearing pegmatites and follow-up anomalous copper trends from the Home of Bullion mine into the tenement package acquired from Bowgan - including the Mulbangas copper prospect on EL32027. The soil sampling orientation program was designed to test the effectiveness of the technique in areas of exposed regolith, where previous RAB and Vacuum drilling has identified anomalous copper. The objective of the program was to define new prospects that may host further copper lodes along trend from both the Home of Bullion and Prospect D. The program commenced on 4 July with visible malachite and azurite identified at the Mulbangas Copper prospect and pegmatites identified in the region (Figure 4).<sup>5</sup>

<sup>5</sup> EMS – ASX 10 June 2022 Northern Territory Reconnaissance - Barrow Creek”



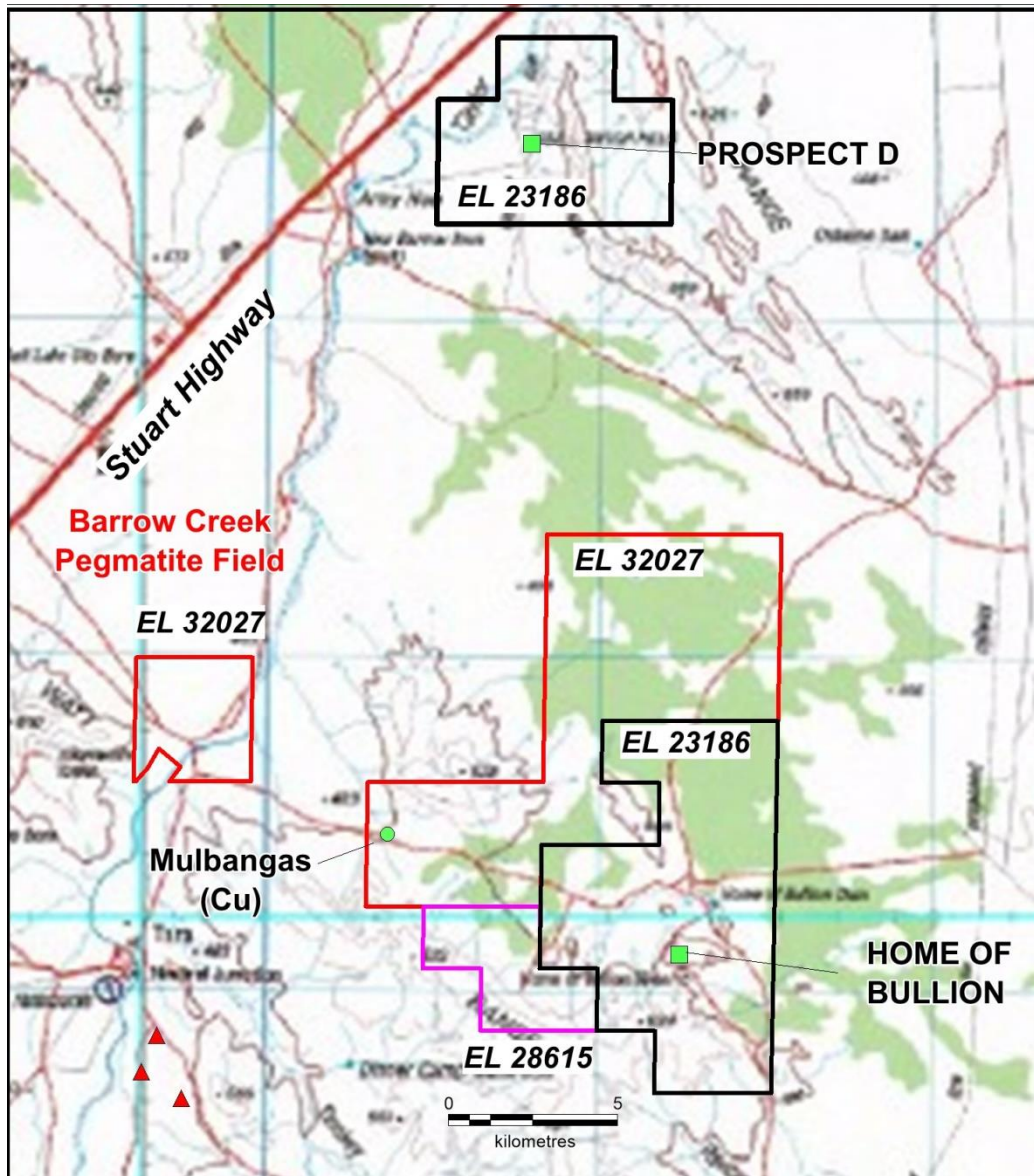
**Figure 4.** (a) Malachite and azurite mineralisation at the Mulbangas Copper prospect; and (b) Pegmatite sample identified in this region

The Company's Arunta Project comprises two separate tenement blocks, all located within the Northern Arunta pegmatite province which is part of the Aileron province in the Northern Territory. These are in the northern **Barrow Creek - Home of Bullion – Donkey Creek** area, and the southern **Adnera** area. The tenements are situated east of the Stuart Highway between Alice Springs and Tennant Creek near the township of Barrow Creek.

Eastern Metals' flagship asset in the Northern Territory is the Home of Bullion mine at Barrow Creek on EL23186, which was acquired from Kidman Resources (now owned by Wesfarmers) and hosts a total **Identified Mineral Resource of 2.5 million tonnes averaging 1.8% copper, 2.0% zinc, 36g/t silver, 1.2% lead and 0.14g/t gold**. The Home of Bullion mine is classified as an Advanced Exploration Project under the Valmin Code. Prospect D, which hosts both high-grade copper and nickel intersected in drilling, is also located on the Barrow Creek tenement.

Eastern Metals' strategy is to conduct resource expansion drilling on the Home of Bullion mine, where the existing resource remains open along strike and down dip. In addition, several potential VMS and other targets exist along trend, principally to the west and northwest of the deposit. This copper trend continues from our existing tenure into the Home of Bullion-Donkey Creek tenement package acquired from Bowgan, which includes the Mulbangas copper prospect. During 1995-1996 the area was explored by Aberfoyle, which outlined anomalous levels of copper-lead-zinc mineralisation along with gold and silver. Targets were not followed up with deep drilling at that time. Eastern Metals is actively reviewing historical exploration information over the area, which lies within the Barrow Creek pegmatite field and is also prospective for gold, silver, REEs and lithium.





**Figure 5.** Eastern Metals' Barrow Creek - Home of Bullion – Donkey Creek area

### Thomson Project

No field work was undertaken the quarter. Meetings were held with the landholder, with the first Land Access and Compensation Agreement signed during the quarter. Eastern Metals has designed drilling programs and is currently seeking funding partners to undertake this work.

## Corporate

### Neutral Junction Project Acquisition

Eastern Metals executed an Asset Sale Agreement following entering into a Binding Heads of Agreement to acquire a portfolio of significant exploration assets ("the Acquisition") located in the Arunta pegmatite province in the Northern Territory. The Acquisition includes tenure immediately adjacent to and along trend from the Company's Home of Bullion Copper Mine, which demonstrates excellent potential for copper-gold mineralisation. The broader tenement package is prospective for base metals, lithium, rare earth elements (REEs) and gold.

#### Key Acquisition Terms

The key terms of the Acquisition include consideration of \$150,000, made up of \$50,000 in cash and the allotment of 408,163 fully paid EMS shares, issued at a price of \$0.245 per share. The issue price of \$0.245 per share is the 30-day VWAP of the Company's shares traded prior to the Acquisition and is a 22.5% premium to the Company's October 2021 IPO price. The shares issued as part of the Acquisition will be escrowed for 12 months from the date of issue. Consideration will be paid upon transfer of the tenements, and/or legal interest, to the Company which is expected in the September quarter.

### Government Funding for Drilling at Home of Bullion

Funding of up to \$142,000 has been granted, for resource extension drilling at The Home of Bullion copper mine project, from the Geophysics and Drilling Collaborations (GDC) program. The GDC is a competitive grants program funded under the Northern Territory Government's Resourcing the Territory initiative. Two holes outside of the existing resource envelope will be funded from the GDC competitive grants program.

### Non-Executive Director Service Agreement

The Company has entered into a Services Agreement for an entity related to Dr Jason Berton, a Non-Executive Director of the Company, to provide 3D geological modelling services for the Company's Arunta Project. The agreement was on normal commercial terms, including a rate of \$1,000 per day excluding GST, and can be terminated with notice of one month.

## Financial Overview

The Company's cash balance as at 30 June 2022 was \$3.9 million.

## Statement of Commitments

	Sep-21	Estimates (refer the Company's Prospectus dated 18 August 2021)	Dec-21	Mar-22	Jun-22	Jun-22
Use of Funds	QTR \$000	\$000	QTR \$000	QTR \$000	QTR \$000	Balance: Under / (Over) \$000
Exploration (2 years)	(674)	3,871	(93)	(433)	(572)	2,773
Tenement Deposits	(10)	-	-	-	(67)	(67)
Operating expenses	(150)	1,091	(193)	(113)	(133)	652
Working capital	-	347	-	-	(5)	342
Fixed asset purchases	-	-	(36)	(18)	(7)	(61)
Costs of the Offer	(42)	691	(448)	-	-	243
<b>Total use of funds</b>	<b>(876)</b>	<b>6,000</b>	<b>(770)</b>	<b>(564)</b>	<b>(784)</b>	<b>3,882</b>

## Cash Movements

Cash on hand - beginning of quarter	380	4	5,234	4,670	380
Proceeds from converting note	500	-	-	-	500
Share subscriptions received	-	6,000	-	-	6,000
Use of funds	(876)	(770)	(564)	(784)	(2,994)
Cash on hand - end of period	4	5,234	4,670	3,886	3,886

## Exploration Expenditure Summary

During the quarter ended 30 June 2022, Eastern Metal's cash expenditure for exploration & evaluation totalled \$572,000<sup>6</sup> and consisted of:

	Current Quarter	Year to Date (12 Months)
	\$000	\$000
Purchase mineral exploration licences and associated mining information	-	660
Drilling & Supplies	293	575
Surveys	22	22
Assays	13	13
Joint Venture Work Fee	37	37
Direct salaries	111	238
Consultants	52	92
Consumables/field supplies/travel	9	42
Statutory levies	12	29
Legal fees	20	34
Mining software	-	14
Stamp duty	-	10
Shed rental	3	6
<b>Total</b>	<b>572</b>	<b>1,772</b>

Full details of exploration activity during the quarter are set out in this report.

There were no mining production and development activities during the quarter.

## Payments to related parties of the entity and their associates

During the quarter ended 30 June 2022, the aggregate amount of payments to related parties and their associates totalled \$105,885, consisting of directors' fees and salaries<sup>7</sup>

<sup>6</sup> Refer Item 2.1(d) of Eastern Metals' Appendix 5B Mining exploration entity or oil and gas exploration entity quarterly cash flow report to 30 June 2022.

<sup>7</sup> Refer Items 6.1 and 6.2 of Eastern Metals' Appendix 5B Mining exploration entity or oil and gas exploration entity quarterly cash flow report to 30 June 2022.



## Eastern Metals Tenement Schedule as of 30 June 2022

Tenure	Location	Eastern Metals Interest (%)	Status
EL23186	Northern Territory	100%	Current
EL6321	New South Wales	100%	Current
EL9180	New South Wales	100%	Current
EL9136	New South Wales	100%	Current
EL9190	New South Wales	100%	Current
EL9194	New South Wales	100%	Current

There have been no mining exploration tenements disposed during the Quarter. Eastern has entered into a Binding Heads of Agreement to acquire the Neutral Junction Project from Bowgan Minerals Limited however these tenements are not currently owned by Eastern.

## Management Commentary

**Managing Director and CEO, Wayne Rossiter said,**

*“Drilling at the Browns Reef Evergreen Lode continues to confirm the extent and tenor of this polymetallic discovery. The Evergreen Zone lode now has a strike length of over 150m and vertical depth of at least 300m, remaining open along strike and at depth. We look forward to completing the two northern holes along strike which were deferred due to weather conditions in the most recent campaign.*

*Our initial reconnaissance visits to our Barrow Creek Project identified copper mineralisation at surface at the Mulbangus copper prospect and identified pegmatites at surface in the region. Our orientation soil sampling program is completed, with results yet to be analysed. We have also recently commenced our first phase resource expansion drilling program at Home of Bullion copper mine, which, along with identifying other lodes of copper mineralisation in the region, is central to our strategy for increasing the tonnage of the high-grade resource.”*

## Eastern Metals' Portfolio

Eastern Metals is an Australian base and precious metals exploration company which owns three Projects in the Northern Territory and New South Wales. Each of these Projects consists of one to three granted exploration licences.

Eastern Metals' flagship assets, acquired from Kidman Resources (now owned by Wesfarmers), are the Home of Bullion deposit at Barrow Creek, part of the Arunta Project, which hosts a total **Identified Mineral Resource of 2.5 million tonnes averaging 1.8% copper, 2.0% zinc, 36g/t silver, 1.2% lead and 0.14g/t gold (2.8% Cu<sub>equiv</sub>)**, and the Browns Reef zinc-silver-lead- deposit, part of the Cobar Project, which has an **Exploration Target of 27 to 37 million tonnes averaging between 1.3-1.4% zinc, 0.6- 0.7% lead, 9-10g/t silver and 0.2-0.3% copper.**

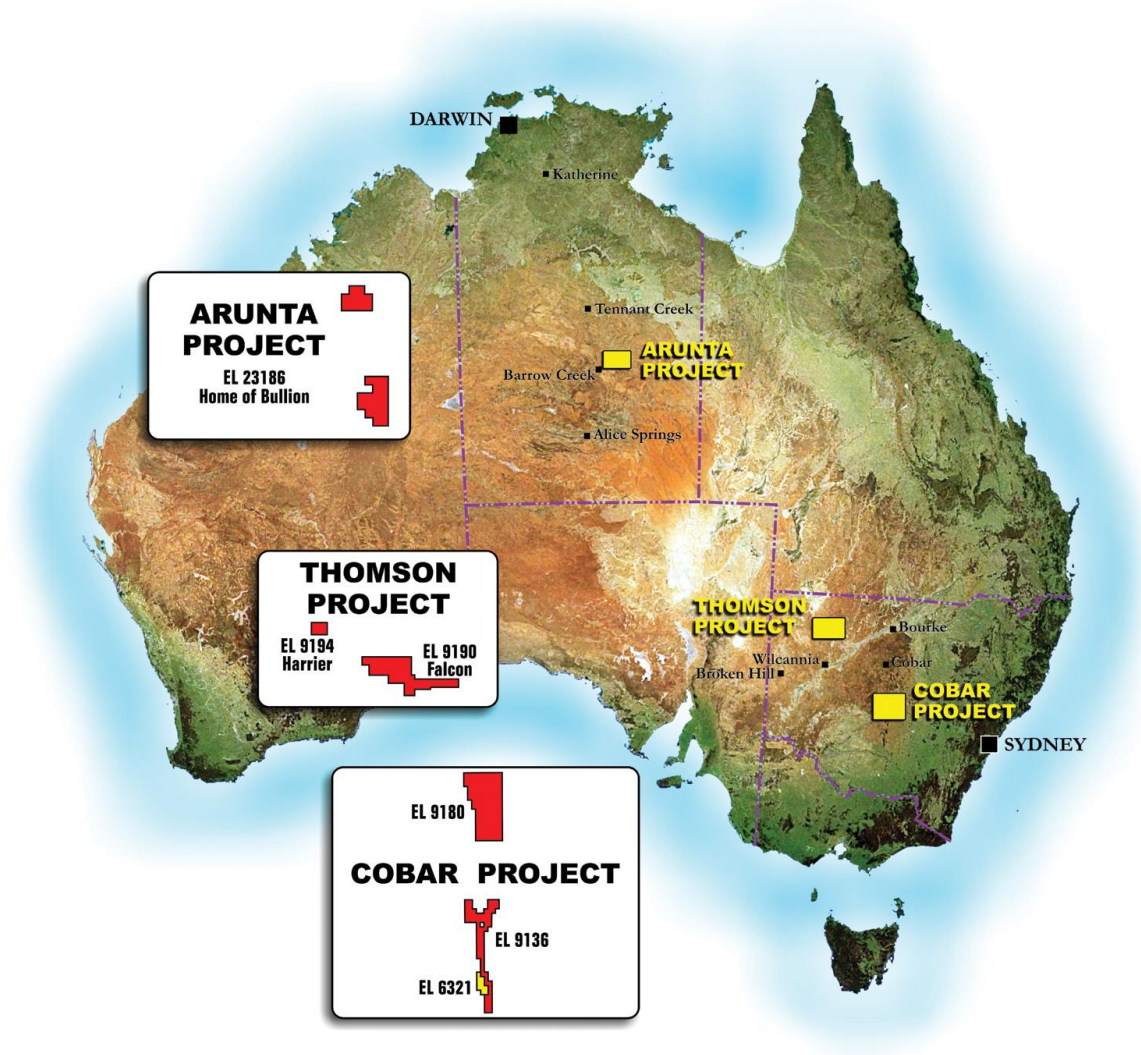
## Portfolio Snapshot

### *Cobar Project*

- Browns Reef is a polymetallic deposit developed in the Preston Formation, a sedimentary sequence of Devonian age
- An Exploration Target of 27 to 37 million tonnes averaging between 1.3-1.4% zinc, 0.6-0.7% lead, 9-10g/t silver and 0.2-0.3% copper has been reported from past work at Browns Reef
- High grade intersections have been identified within the Exploration Target envelope, and it is these higher-grade zones that will be the focus of the Company's initial drilling activities
- Potential to host one or more polymetallic deposits within the 16km of strike of the mineralised system

### *Arunta Project*

- The Arunta Project area is situated to the east of the Stuart Highway between Alice Springs and Tennant Creek near the township of Barrow Creek
- Hosts a total Identified Mineral Resource at the Home of Bullion mine of 2.5 million tonnes averaging 1.8% copper, 2.0% zinc, 36g/t silver, 1.2% lead and 0.14g/t gold with excellent potential to expand the resource
- High grade copper and nickel intersected in drilling at Prospect D
- Prospective for lithium within the Barrow Creek pegmatite field



**Figure 6. Location of Eastern Metals' Project Portfolio**

### **Thomson Project**

- Eastern Metals' third project, the Thomson Project, consists of two exploration licences ELs 9194 Harrier and 9190 Falcon approximately 250 kilometres northwest of Cobar
- The Company's targets within the Thomson Project tenements are copper-gold and lead-zinc-silver deposits, similar to the Great Cobar and CSA copper-gold mines and the Endeavor lead zinc mine.

## Authorisation for this Announcement

This announcement has been authorised for release by the Company's Disclosure Officers in accordance with its Disclosure and Communications Policy which is available on the Company's website, [www.easternmetals.com.au](http://www.easternmetals.com.au).

## Previously Reported Information

Information in this announcement is extracted from reports lodged as market announcements available on the Company's website [www.easternmetals.com.au](http://www.easternmetals.com.au) or on the ASX website [www.asx.com.au](http://www.asx.com.au).

Other than for the information in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in the these announcements and that all material assumptions and technical parameters underpinning these market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned activities, including mining and exploration programs, and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. In addition, summaries of Exploration Results and estimates of Mineral Resources and Ore Reserves could also be forward looking statements. Although Eastern Metals believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

## Contacts

For more information please contact:

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*Media & Investor Relations*

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

EASTERN METALS LIMITED (Company)

Quarter ended ("current quarter")

ABN 29 643 902 943

30 June 2022

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(133)	(589)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(133)</b>	<b>(589)</b>

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(67)	(77)
	(c) property, plant and equipment	(7)	(61)
	(d) exploration & evaluation <sup>1</sup>	(572)	(1,772)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(646)</b>	<b>(1,910)</b>

<sup>1</sup>

2.1 (d) exploration & evaluation		
Purchase mineral exploration licences and associated mining information	-	(660)
Drilling & Supplies	(293)	(575)
Surveys	(22)	(22)
Assays	(13)	(13)
Joint Venture Work Fee	(37)	(37)
Direct salaries	(111)	(238)
Consultants	(52)	(92)
Consumables/field supplies/travel	(9)	(42)
Statutory levies	(12)	(29)
Legal fees	(20)	(34)
Mining software	-	(14)
Stamp duty	-	(10)
Shed rental	(3)	(6)
Total	<b>(572)</b>	<b>(1,772)</b>

Appendix 5B

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

Consolidated statement of cash flows	Current quarter	Year to date (12 months)
	\$A'000	\$A'000

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,000
3.2 Proceeds from issue of convertible debt securities	-	500
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(490)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(5)	(5)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(5)</b>	<b>6,005</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	4,670	380
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(133)	(589)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(646)	(1,910)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(5)	6,005
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>3,886</b>	<b>3,886</b>

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5.	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,886	4,670
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,886</b>	<b>4,670</b>

6.	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1 <sup>2</sup>	39
6.2	Aggregate amount of payments to related parties and their associates included in item 2 <sup>3</sup>	67
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Not applicable		

<sup>2</sup> Aggregate amount of payments to related parties and their associates totals \$38,981, consisting of directors' salary and superannuation.

<sup>3</sup> Aggregate amount of payments to related parties and their associates totals \$66,904, consisting of director's salary and superannuation.



<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(133)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(572)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(705)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,886
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,886
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	5.5
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not applicable	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: Company's Disclosure Officers<sup>4</sup>  
(Name of body or officer authorising release – see note 4)

<sup>4</sup> In accordance with its Disclosure and Communications Policy which is available on the Company's website, [www.easternmetals.com.au](http://www.easternmetals.com.au)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.