

**ASX: EMS**

ACN 643 902 943

**CAPITAL STRUCTURE**

Share Price: A\$0.085  
Cash: A\$1.8m  
Debt: Nil  
Ordinary Shares: 54.95m  
Market Cap: A\$4.67m  
Enterprise Value: A\$2.9m  
Options: 26.55m  
(3years/30c)

**BOARD OF DIRECTORS**

**Robert Duffin**  
Non-Executive Chairman

**Mark Dugmore**  
Independent Non-Executive  
Director

**Ian White**  
Independent Non-Executive  
Director

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

**COMPANY  
SECRETARY/CFO**

Ian Morgan

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## Quarterly Activities Report

For the period ending 31 December 2022

### Highlights

#### Cobar Project

- A gravity survey was conducted over the Browns Reef tenement during the quarter. Results are still being processed and the data has not yet been interpreted;
- Metallurgical testwork conducted by a previous owner on two composite samples from diamond drill core at Browns Reef has shown that high grade zinc and lead concentrates with good metal recoveries can be expected;
- Future exploration includes a drilling program which is expected to result in the estimation of a JORC 2012-compliant mineral resource estimate for the Evergreen zone at Browns Reef, as well as exploration elsewhere on the tenement;
- EL6321 *Browns Reef* has renewed for a further six years.

#### Arunta Project

##### Home of Bullion

- Phase 1 of the **resource expansion drilling program** at the Home of Bullion copper mine in Northern Territory completed with **high-grade assays up to 9.6% Cu** from three diamond drill holes for a total of 1,572.5m;
- **High grade copper assay** results received for hole HDD049B, located approximately **40m beyond the existing resource in the lower main lode**;
- Significant mineralised intervals include HDD049B: **10.4m @ 1.58% Cu, 1.91% Zn**, 0.99% Pb, 38.85 g/t Ag and 0.26 g/t Au from 540m downhole including **1.75 @ 5.46% Cu**, 7.37% Zn, 3.64% Pb, 142.89 g/t Ag and 0.83 g/t Au from 548.65m which included **0.4m at 9.55% Cu** in hole HDD049B and **1.0m @ 0.03% Cu, 3.44% Zn, 3.09% Pb, 19.5 g/t Ag and 0.04 g/t Au** from 495m downhole in hole HDD049AA;

- The current Home of Bullion total resource estimate of 2.5 mt averaging 1.8% Cu, 2.0% Zn, 36g/t Ag, 1.2% Pb and 0.14g/t Au is being revised to take these intersections into account.

## Lithium Exploration

- Initial lithium **exploration reconnaissance program** completed over a small area of priority interest;
- The program involved wide-spaced (500m) traverse lines in two areas of initial interest where granites and/or pegmatite have been reported;
- The program identified areas where characteristic milky-white quartz outcrop and scattered float exists – this being a common feature observed on named LCT-type pegmatite occurrences within the Barrow Creek pegmatite field;
- Several areas for follow-up exploration were identified at Prospect D on EL23186 and in the north of EL32027.

## Thomson Project

- Eastern Metals has assembled a very comprehensive data package for the Thomson Project and has commenced a marketing program to a select group of mining companies known to be interested in the discovery of large scale but blind copper or other base metal deposits, plus or minus gold

## Other

- Acquisition of five exploration licences in the Northern Territory from Bowgan Minerals was completed during the quarter. EMS is now the registered holder of these five tenements and has a legal ~75% joint venture interest in a sixth tenement held by Mithril Resources (**ASX: MTH**).

## Corporate

- Wayne Rossiter resigned as Managing Director and Chief Executive Officer of the Company to pursue other opportunities;
- Non-Executive Chairman Robert (Bob) Duffin is acting as Executive Chairman until a search process for a new Managing Director and Chief Executive Officer has been completed;
- Mark Dugmore and Ian White have been appointed as Independent Non-Executive Directors to the Board of the Company, and Cathy Moises resigned as a director of the Company;
- Approximately \$1.8million in cash as of 31 December 2022.

Eastern Metals Limited (**ASX: EMS**) ("**Eastern Metals**", or "the **Company**") is pleased to release its quarterly report for the period ending 31 December 2022.

## Exploration Activities

### Cobar Project

The Company's Cobar Project in New South Wales consists of three exploration licences, ELs 6321 *Browns Reef*, 9180 *Tara*, and 9136 *Bothrooney*. Their locations are shown in Figure 1. Figure 1 also shows the locations of mines, key pre-development prospects, base metal treatment plants and other infrastructure in the area.

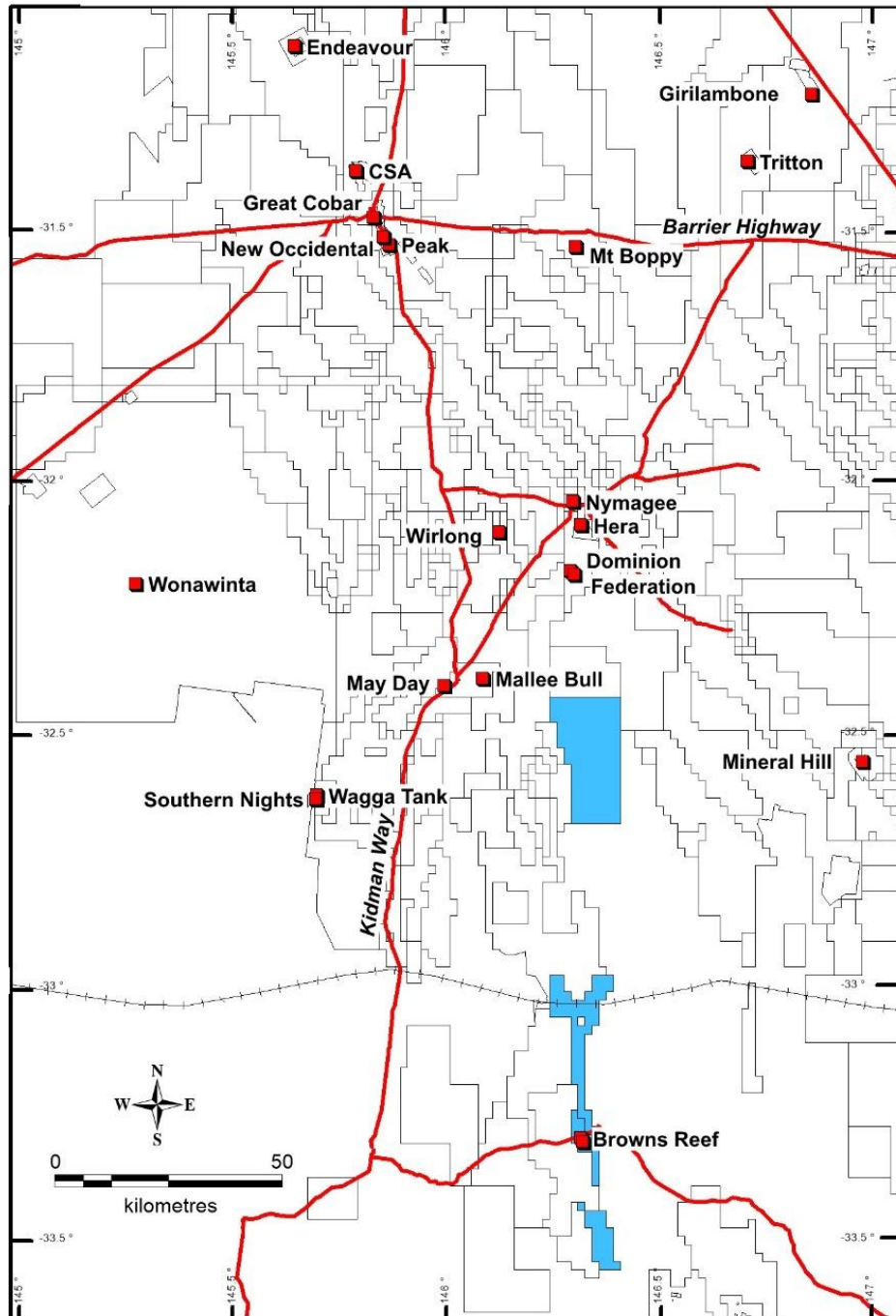


Figure 1. Location of Eastern Metals' three exploration licences in the Cobar Project Area, showing mines and pre-development project and major infrastructure.

## Browns Reef

Browns Reef lies 5km to the west of the town of Lake Cargelligo, approximately 470km west of Sydney. The known polymetallic 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 synclinal structure. The historical Exploration Target at Browns Reef is 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. Eastern Metals believes there are one or more zones of higher grade mineralisation within the overall Exploration Target envelope.

The Company drilled six diamond holes into one of the higher-grade zones at Browns Reef known as the Evergreen Zone last year. All six holes returned strong base metal sulphide mineralisation that were reported in the Company's ASX announcements of 26 April and 2 August 2022.

Metallurgical testwork was conducted on two composite samples of base metal sulphide mineralisation intersected in holes drilled some years ago by a previous owner of Browns Reef. This work showed that zinc and lead recoveries to concentrates of over 80 per cent could be expected. Flotation tests showed that concentrates with 55 to 60 per cent metal content could be achieved for both zinc and lead. Silver mostly reports to the lead concentrate and copper predominately to the zinc concentrate. The metal recoveries to concentrate and the grades of the zinc and lead concentrate are in line with the best performing Australian base metal operations. Even better metallurgical performance might be expected if grind size, reagent usage etc were optimised. The concentrates should be readily saleable to smelters.

Eastern Metals intends to conduct additional metallurgical testwork on samples collected from its own drilling at Evergreen. Typical metal grades at Evergreen are higher than the grades of the composite samples tested by the previous owner. Metallurgical performance may be better due to the higher-grade mineralisation.

A detailed gravity survey of the Browns Reef tenement was conducted during the quarter. The results of this survey are still being processed. Additional exploration targets are expected from this work..

Eastern Metals has prepared its future exploration program for Browns Reef, taking into account the results of last year's work. This program consists of a small number of diamond drill holes at Evergreen and at the nearby Pineview zone, and a series of aircore holes to test for geochemical anomalies elsewhere in the tenement. The work planned is shown in Figure 2. The Pineview drilling program will be conducted once access is secured. The holes planned at Evergreen along with holes drilled by a previous owner of the tenement are expected to allow for a JORC 2012-compliant identified mineral resource estimate to be made. This diamond drilling and the aircore exploration drilling to test for new geochemical anomalies will proceed after the ground has dried out following the La Niña rainfall in the Central West of New South Wales over the last nine months.

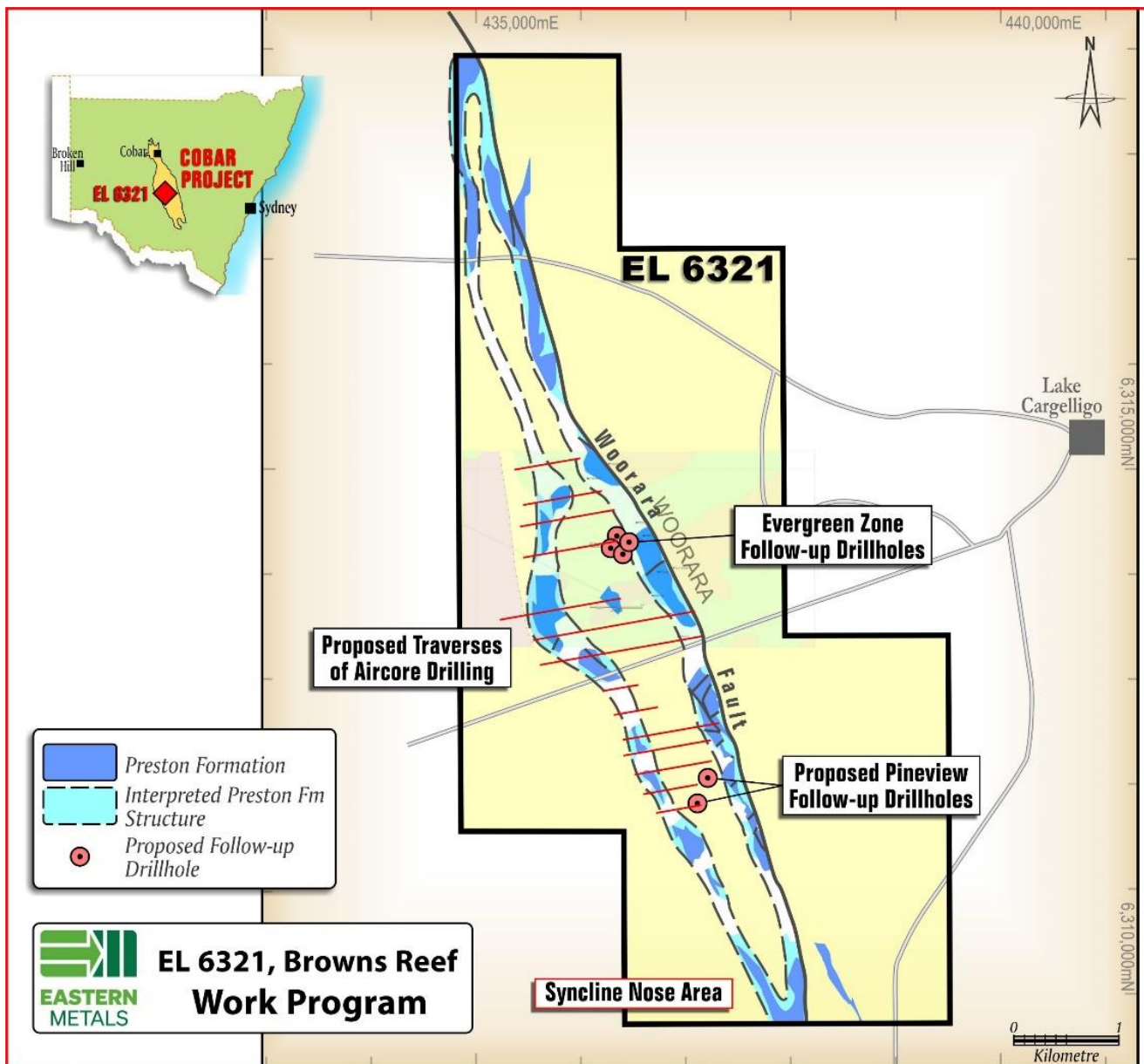


Figure 2. Proposed work program at Browns Reef

The term of EL6321 Browns Reef was extended by the mining regulator during the quarter for a further period of six years. It now expires on 19 October 2028.

### Tara and Bothrooney

No work was conducted during the quarter.

### Arunta Project

The Arunta Project consists of two groups of tenements. These are the Neutral Junction tenement block, and the Adnera Hill tenement block.



The Neutral Junction block consists of ELs 23186 *Barrow Creek*, 28615 *Donkey Creek*, and 32027 *Home of Bullion*. The Adnera Hill tenement block consists of ELs 24253 *Neutral Junction*, 29475 *Adnera*, 30797 *Ooralingie* and 31292 *Buggy Camp*, known collectively as the *Adnera Hill Tenement Block*. Their locations are shown in Figure 3.

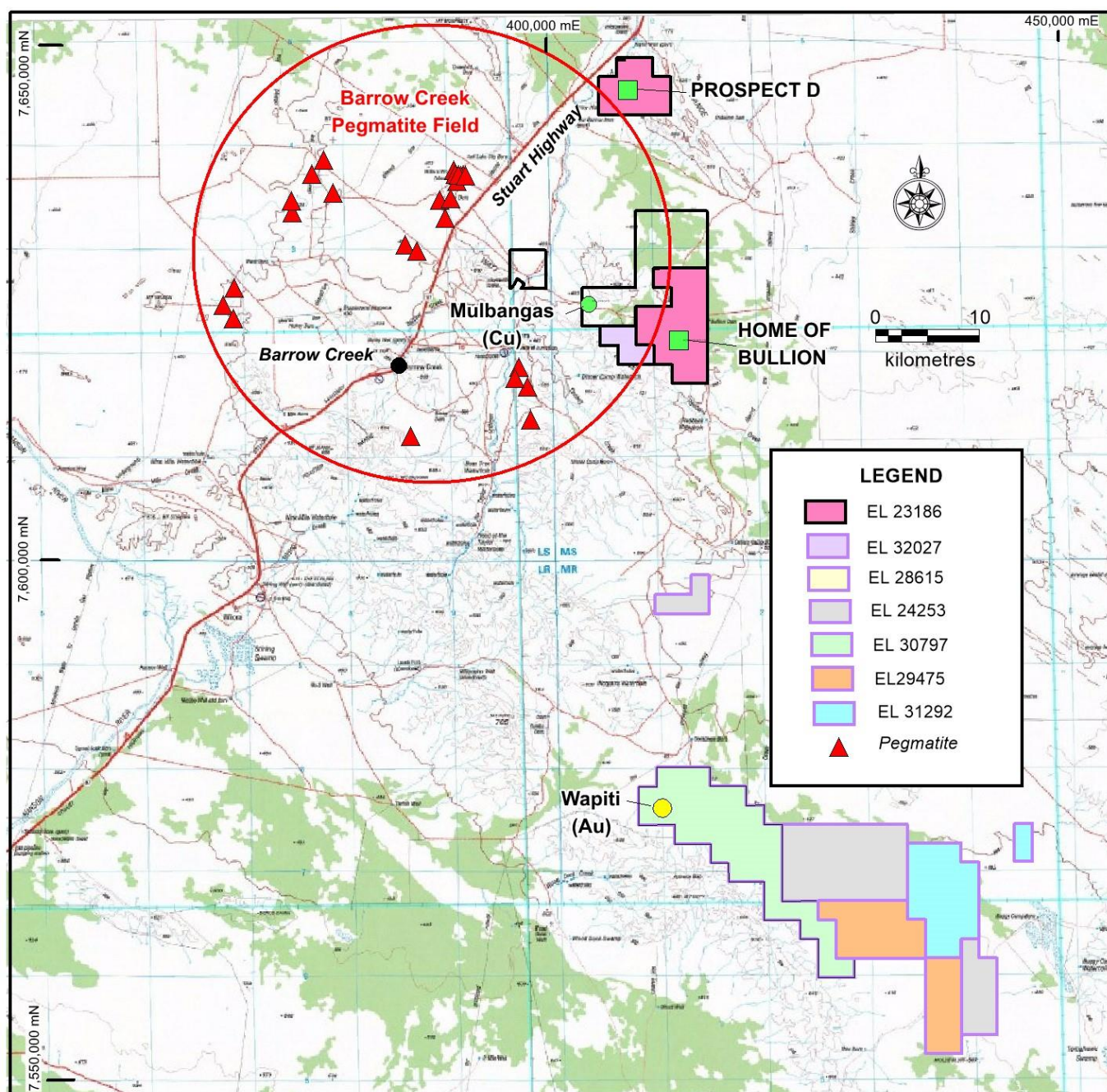


Figure 3. Locations of the Neutral Junction and Adnera Hill tenement blocks, Arunta Project, Northern Territory

## Neutral Junction Block

The Neutral Junction tenement block contains the Home of Bullion copper mine, the Mulbangas copper deposit, and the Prospect D copper – nickel prospect. It also lies within the geological domain known as the Barrow Creek pegmatite field. The Neutral Junction block is prospective for base and precious metals, as well as lithium in pegmatites like those reported in nearby tenements.

During the quarter, Eastern Metals completed Phase 1 of a multiphase resource expansion drilling program at the Home of Bullion mine. This program was designed to test for extensions of the previously defined mineralised envelope at Home of Bullion which has yet to be closed off along strike or down dip. This re-designed program consisted of four diamond drill holes (one of which was abandoned when it deviated off course) for a total of 1,572.5m. Drill hole HDD049B, located approximately 40m beyond the existing Home of Bullion resource outline in the lower main lode, returned high copper assays with significant zinc and silver credits. This result supports the potential to further increase the size of the Home of Bullion deposit through further drilling. Future resource expansion drilling will be targeted to extend this new high-grade zone along with other areas which remain open and have yet to be tested. The expansion of the existing resource along with discovery of new lodes in the area remains the strategy to prove a mineable deposit.

A preliminary lithium exploration program was also completed during the quarter. This scout program was designed to identify areas with granite or pegmatite outcrop by undertaking traverses at 500m line spacing, undertaken over selected test areas within EMS's 100% owned 183km<sup>2</sup> tenement area. Although no pegmatite outcrops have been found yet, several areas were identified as being prospective for pegmatite discoveries. These will be subjected to follow-up traverses and soil sampling programs.

## Home of Bullion Mine

There are two principal lodes at Home of Bullion. These are the Main Lode (which is divided into upper and lower sections), and the South Lode. Two holes were drilled during the quarter to test for extensions to the Main Lode outside the known resource envelope, and one hole was drilled to test for extensions to the South Lode.

Hole HDD049AA targeted the central section of the lower part of the Main Lode in a south-easterly direction. The hole intersected the Main Lower between 487- 500m with small bands of massive sulphides including pyrite, galena, and sphalerite.

Hole HDD049B was designed to intersect the lower part of the Main Lode down dip from HDD049AA to test for extensions of the deposit above historical drill holes HDD045 and HDD045W1. The hole intersected a significant interval of mineralisation at 540.0m downhole over an interval of 10.5m, including a copper rich interval of mineralisation over an interval of 1.75m within this zone.

Significant intersections from the two holes drilled during the quarter include:

- HDD049B: 10.4m @ 1.58% Cu, 1.91% Zn, 0.99% Pb, 38.85 g/t Ag and 0.26 g/t Au from 540m downhole including 1.75m @ 5.46% Cu, 7.37% Zn, 3.64% Pb, 142.89 g/t Ag and 0.83 g/t Au from 548.65m, which includes 0.4m at 9.55% Cu in this interval;
- HDD049AA: 1.0m @ 0.03%Cu, 3.44% Zn, 3.09% Pb, 19.5 g/t Ag and 0.04 g/t Au from 495m downhole.

Hole HDD053 was drilled to test for an extension to the upper part of the South Lode at a target zone 50 metres to the southeast. The hole did not intersect mineralisation and was terminated at 398.6m.

The key intersections in holes HDD049B and HDD049AA are shown in Figure 4.

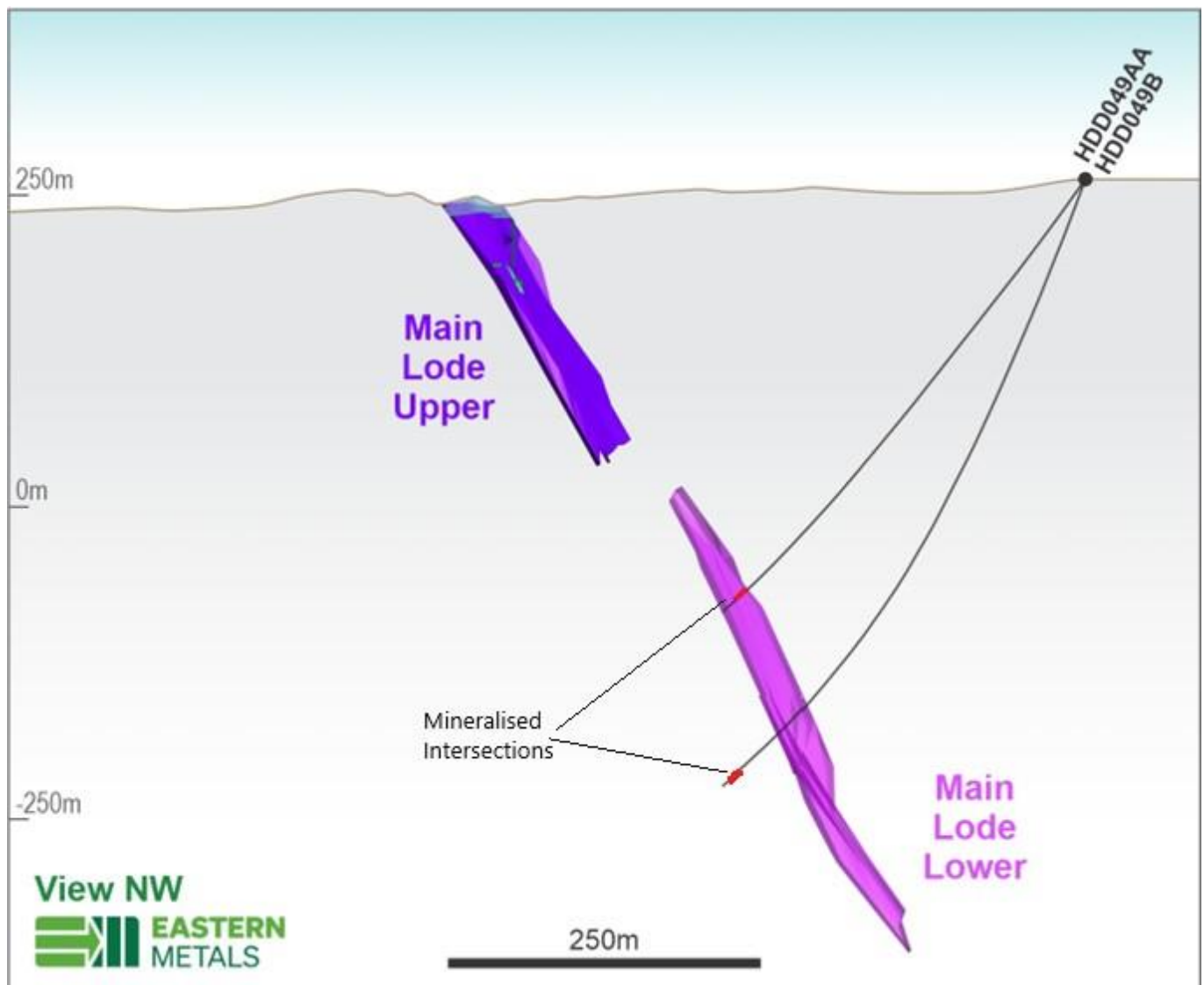


Figure 4. Key intersections from recent drilling at Home of Bullion



The historical total indicated and inferred mineral resource estimate for the Home of Bullion mine is of 2.5 million tonnes averaging 1.8% copper, 2.0% zinc, 36g/t silver, 1.2% lead and 0.14g/t gold. Eastern Metals will update this estimate during the March quarter to include the results of holes HDD049B and HDD049AA.

### Lithium Exploration

The Company's regional reconnaissance of known pegmatite occurrences in the Barrow Creek pegmatite field has indicated that pegmatites are often surrounded by an extensive apron or scatter of milky quartz scree. This work showed that milky quartz outcrops also occur sometimes within areas of granite and mica schist float. A typical area of quartz float is shown in Figure 5.



*Figure 5. Area of quartz scree at Prospect D*

Using the above parameters as guidelines a series of traverses across selected areas of EL32027 and EL23186, at 500m spacing, were undertaken. Quartz scree and outcrops were observed along the traverses and up to 50m off-traverse.

Widespread areas of quartz scree were present at Prospect D and in the northeast corner of EL32027 where granite outcrops. Granite was also seen in the Donkey Creek area.

Only a selected area of the 183km<sup>2</sup> Barrow Creek area was included in these widely spaced traverses and the area remains highly prospective for LCT-pegmatites. Known pegmatites in the Barrow Creek pegmatite field intrude metamorphosed mudstones, sandstones, schists and amphibolite of the Palaeoproterozoic Bullion Schist, which itself is the host rock of the Home of Bullion copper deposit.

The Company will continue this program in the March quarter, building on the work conducted in the December quarter. More closely spaced traverse lines will follow in areas found to be prospective.

Subject to the identification of areas of further interest from the above program, soil sampling and auger drilling will be undertaken as aeolian sand which may obscure pegmatite outcrop covers much of the tenements.

### Adnera Hill Tenement Block

The Wapiti gold prospect lies within the Adnera Hill tenement block. No work was conducted during the quarter.

### Thomson Project

The Thomson Project consists of two exploration licences in north-western New South Wales, ELs 9194 *Harrier*, and 9190 *Falcon*. Their locations are shown in Figure 6.

The Thomson Orogen is one of the most poorly understood major orogenic belts in Australia. It covers a vast area of south-central Queensland and extends into north western New South Wales, where the Company's tenements are located. The southern part of the Thomson Orogen is a major east-west oriented structure that runs broadly parallel to the Queensland-New South Wales border.

Basement rocks in the Thomson Orogen have long been acknowledged as potential hosts to mineralisation. A cooperative program between the Geological Surveys of Queensland and New South Wales and Geoscience Australia that commenced in 2005 led to a better understanding of the regional potential. High quality aeromagnetic data became available from this program, and this led to drill testing of some of the anomalies by a small number of companies.



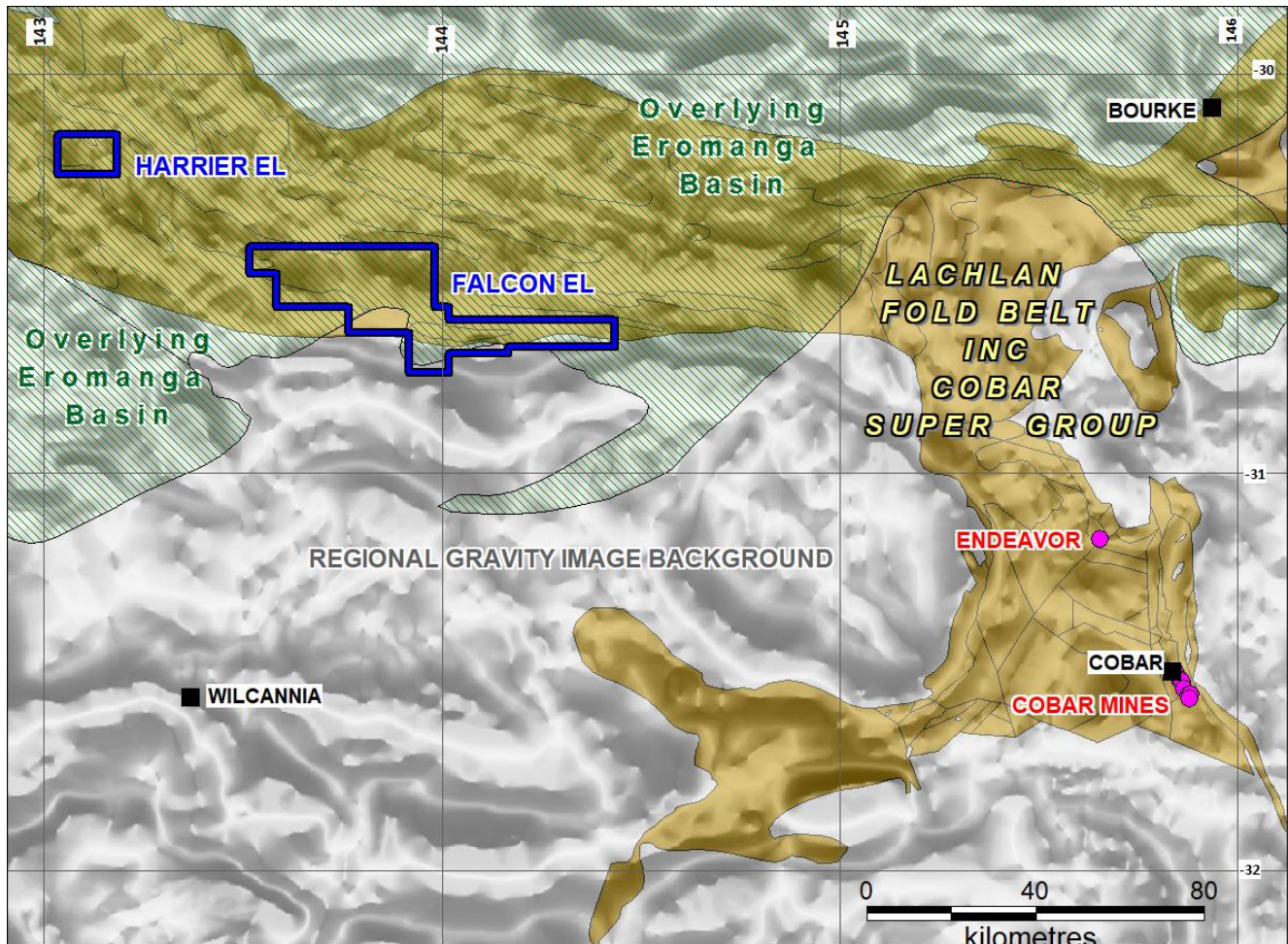


Figure 6. Location of the Company's Thomson Project tenements in North-western New South Wales

Interpretations of lithologies intersected in this drilling suggest that the basement rocks in the area of the Company's tenements are equivalent to those of the Cobar Basin, and therefore potentially prospective for the discovery of similar styles of mineralisation.

Eastern Metals' exploration 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. These types of deposits are generally steeply dipping, or pipe-like, with little surface geological or geochemical expression. However, the ore systems typically contain magnetic material, mainly the iron-sulphide mineral pyrrhotite, and can be identified using ground or airborne magnetic surveys. The magnetic anomalies associated with the Cobar deposits are generally very localised, discrete "bullseye" type anomalies.

Very high-quality aeromagnetic data is now available for this area. Using this data, and the results of previous drilling, Eastern Metals has selected a set of "bullseye" magnetic anomalies that show similar characteristics to those associated with Cobar mineral deposits. Careful geophysical modelling of these anomalies can be used to derive targets for drilling designed to intersect the main causative magnetic bodies for each anomaly.

Over the last year but particularly during the December quarter the Company has assembled a comprehensive data set relating to key anomalies and these have been carefully modelled and compared with the limited amount of drilling data available. Anomalies have been ranked and drill holes planned. Eastern Metals commenced a marketing program late in the quarter to a select group of mining companies known to be interested in the discovery of large scale but blind copper or other base metal deposits, plus or minus gold. This marketing program is continuing.

## Corporate

### Resignation of Managing Director and Chief Executive Officer

Wayne Rossiter resigned as Managing Director and Chief Executive Officer of the Company effective from the close of business on 30 November, to pursue other opportunities.

The Board of Eastern Metals has commenced a search process for a new Managing Director and Chief Executive Officer. Until that process has been completed, the Company's Non-Executive Chairman Mr Robert (Bob) Duffin will act as Executive Chairman. There are no changes to Mr Duffin's remuneration while he undertakes this role.

### Other Board Changes

Ms Cathy Moises resigned as a director of the Company during the quarter. Directors considered the Company's board structure at the same time and decided to strengthen the board's skillsets with two new independent non-executive director appointments.

Mark Dugmore and Ian White were appointed to fill casual Board vacancies early in the quarter, and their appointments were approved by shareholders at the Company's AGM held on 16 November 2022.

### Completion of Neutral Junction Project Acquisition

Eastern Metals completed the acquisition of two of the Arunta Project tenements and the Adnera Hill tenement block from Bowgan Minerals Limited during the quarter.

### Annual General Meeting

The Company's Annual General Meeting was held on Wednesday 16 November 2022.

### Change of Registered Office

Eastern Metals' registered office has changed to: Eastern Metals Limited, c/- Boardroom Pty Limited, Level 8, 210 George Street Sydney NSW 2000.

Other contact details have not changed.



## Financial Overview

The Company's cash balance at 31 December 2022 was \$1.8 million.

Use of funds during the December and previous two quarters and a comparison with expected expenditure as set out in the Company's 2021 IPO prospectus are shown in the following table.

Use of Funds	Estimates (refer the Company's Prospectus dated 18 August 2021)	Jun-22 YTD	Sep-22 QTR	Dec 22 QTR	Dec-22 Balance: Under / (Over)
	\$000	\$000	\$000	\$000	\$000
Exploration (2 years)	3,871	(1,773)	(1,153)	(340)	605
Tenement Deposits	-	(77)	-	-	(77)
Operating expenses	1,091	(589)	(243)	(396)	(137)
Working capital	347	-	-	-	347
Fixed asset purchases	-	(61)	(3)	-	(64)
Costs of the Offer	691	(491)	-	-	200
<b>Total use of funds</b>	<b>6,000</b>	<b>(2,991)</b>	<b>(1,399)</b>	<b>(736)</b>	<b>874</b>
<b>Cash Movements</b>					
Cash on hand - beginning of the period		381	3,886	2,487	381
Proceeds from converting note		500	-	-	500
Share subscriptions received		6,000	-	-	6,000
Repayment of advance by a related party		(4)	-	-	(4)
Use of funds		(2,991)	(1,399)	(736)	(5,126)
Cash on hand - end of the period		3,886	2,487	1,751	1,751

## Exploration Expenditure Summary

During the quarter ended 31 December 2022, Eastern Metal's cash expenditure for exploration & evaluation totalled \$275,000<sup>1</sup> and consisted of:

	Current Quarter	Year to Date (6 Months)
Assay & storage	(8)	(14)
Compensation/Access	(23)	(23)
Consulting and Wages	(183)	(291)
Consumables	-	(18)
Drilling	(2)	(837)
Equipment hire and running costs	(7)	(33)
Geophysics	(50)	(69)
Maps/Data/Photos	(5)	(5)
Other	(2)	(11)
Site rehabilitation	(29)	(113)
Tenure	(95)	(139)
Travel and accommodation	(14)	(40)
GST	143	178
<b>Total</b>	<b>(275)</b>	<b>(1,415)</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 31 December 2022, the aggregate amount of payments to related parties and their associates totalled \$220,814, consisting of directors' fees, salaries, benefits and superannuation.<sup>2</sup>

<sup>1</sup> Refer Item 1.2(a) of Eastern Metals' Appendix 5B Mining exploration entity or oil and gas exploration entity quarterly cash flow report to 31 December 2022.

<sup>2</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 31 December 2022.

## Eastern Metals Tenement Schedule

Eastern Metals' tenement portfolio is set out in the following table.

EL Number	EL Name	Current Area	Area Blocks / Units	Area (km <sup>2</sup> )	EMS Interest	Expiry Date
<b><u>Arunta Project, NT</u></b>						
<b><i>Neutral Junction Area</i></b>						
EL 23186	Barrow Creek	28	Blocks	89.3	100.0%	14-Jul-24
EL 28615	Donkey Creek	4	Blocks	13.0	100.0%	31-Oct-24
EL 32027	Home of Bullion	25	Blocks	81.3	100.0%	24-Jul-25
<b><i>Adnera Hill Area</i></b>						
EL 24253	Neutral Junction	41	Blocks	75.1	75.1%	
EL 29475	Adnera	25	Blocks	81.3	100.0%	14-Jan-23
EL 30797	Ooralangie	38	Blocks	123.5	100.0%	11-Nov-23
EL 31292	Buggy Camp	22	Blocks	71.5	100.0%	12-Jan-23
<b><u>Cobar Project, NSW</u></b>						
EL 6321	Browns Reef	10	Units	28.7	100.0%	19-Oct-28
EL 9180	Tara	122	Units	352.9	100.0%	21-Jun-24
EL 9136	Bothrooney	84	Units	241.2	100.0%	14-Apr-24
<b><u>Thomson Project, NSW</u></b>						
EL 9194	Harrier	54	Units	160.1	100.0%	7-Jun-23
EL 9190	Falcon	437	Units	1,290.9	100.0%	7-Jun-26
<b>Totals</b>				<b>2,608.8</b>		

**Note 1:** EL 24253 is held by Mithril Resources Limited (ASX: MTH). The 75.14% interest held by EMS is pursuant to a Joint Venture Agreement dated 26 April 2011 between Mithril, Mega Hindmarsh Pty Ltd and Bowgan Minerals whose interest has been assigned to EMS.

**Note 2:** ELs 29475 and 31292 both had their renewal applications lodged on 6 January 2023. Even though they are past renewal dates, these licences are still current and remain in good standing until dealt with by the regulator.

**Note 3:** The Company completed its acquisition from Bowgan Minerals of the Neutral Junction Project during the quarter ended 31 December 2022 and is now the sole registered holder of tenements EL 28615, EL 32027, EL 29475, EL 30797 and EL 31292; and holds 75.14% of EL 24253.

**Note 4:** Unless otherwise stated, all tenements were held at 30 September 2022. There were no tenements disposed during the quarter ended 31 December 2022.

## Commentary

Eastern Metals is an Australian base and precious metals exploration company which owns three Projects in the Northern Territory and New South Wales. These are the Cobar and Thomson Projects in New South Wales, and the Arunta Project in the Northern Territory. Each of these Projects consists of a number of granted exploration licences. In total, the Company holds more than 2,600 square kilometres of prospective geology under tenure, in 12 exploration licences.

The Company's flagship assets, acquired from Kidman Resources (now owned by Wesfarmers), are the Home of Bullion copper deposit at Barrow Creek, part of the Arunta Project, for which an historical 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% Cueq) has been made, and the Browns Reef zinc-silver-lead- deposit, part of the Cobar Project, which has an historical 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. In addition, Eastern Metals owns the Thomson Project, where at least nine "walk-up" high priority and inadequately tested and prospective magnetic anomalies that could be associated with large copper and or polymetallic base metal deposits, plus or minus gold, similar to those in the Cobar area and elsewhere.

Bob Duffin, Eastern Metals' Chairman said "When we acquired the Home of Bullion and Browns Reef tenements in 2021 and subsequently took them to market in our IPO, we did so because we thought it likely that we could grow the known deposits with further careful work. So far, our investment thesis is on track. In addition, we are pursuing lithium exploration strategy in the Northern Territory, and our Thomson project has reached an interesting stage where we have commenced discussions with outside parties known to be interested in exploration for large scale copper and other polymetallic deposits, plus or minus gold. Our team at Eastern Metals is looking forward to our progress over the next and future quarters".

## 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

The information in this report that references Exploration Results, Mineral Resources or Ore Reserves released prior to the Company's ASX listing in 2021 is extracted from the Company's Prospectus released on 18 August 2021 (ASX: EMS 22 October 2021). The Prospectus is available to view 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).



Since the Prospectus was lodged, the Company has released a number of ASX announcements relating to exploration results at Browns Reef and the Arunta Project. These include “High Grade Zinc Zone Discovered at Browns Reef”, released on 26 April 2022, “More High Grade Assays in Evergreen Discovery at Browns Reef” released on 2 August 2022, “Lithium Pegmatite Exploration Update -Barrow Creek NT”, released on 25 October 2022, “High Grade Copper Assays up to 9.6% Cu from Resource Expansion Program at Home of Bullion Copper Mine, Northern Territory”, released on 26 October 2022, and “High Grade Base Metal Concentrates Expected at Browns Reef” released on 5 December 2022. These announcements are also available on the Company’s website, and on the ASX’s website.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and subsequent announcements, and that all material assumptions and technical parameters underpinning the information or estimates in the relevant 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 Statement

This announcement 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.

### Competent Person Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves (as those terms are used and defined in the JORC Code), except where otherwise noted, is based on information compiled by Mr Gary Jones who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Jones is a full-time employee of Geonz Associates, Consultant Geologists, a former director of Eastern Metals, and Principal Consultant – Geology to the Company. Mr Jones has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Jones consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

## Contacts

For more information or to arrange an interview, please contact:

**Bob Duffin**

*Chairman*

[bobduffin@easternmetals.com.au](mailto:bobduffin@easternmetals.com.au)

**Victoria Humphries**

*Media & Investor Relations*

[victoria@nwrcommunications.com.au](mailto:victoria@nwrcommunications.com.au)

## 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

31 December 2022

Consolidated statement of cash flows	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation <sup>1</sup>	(275)	(1,415)
(b) development	-	-
(c) production	-	-
(d) staff costs	(185)	(221)
(e) administration and corporate costs	(211)	(419)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-

<sup>1</sup> Item 1.2 (a) Payments for exploration & evaluation:

Assay & storage	(8)	(14)
Compensation/Access	(23)	(23)
Consulting and Wages	(183)	(291)
Consumables	-	(18)
Drilling	(2)	(837)
Equipment hire and running costs	(7)	(33)
Geophysics	(50)	(69)
Maps/Data/Photos	(5)	(5)
Other	(2)	(11)
Site rehabilitation	(29)	(113)
Tenure	(95)	(139)
Travel and accommodation	(14)	(40)
GST	143	178
<b>Total</b>	<b>(275)</b>	<b>(1,415)</b>

Consolidated statement of cash flows		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
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>(671)</b>	<b>(2,055)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(65)	(77)
	(c) property, plant and equipment	-	(3)
	(d) exploration & evaluation	-	-
	(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>(65)</b>	<b>(80)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-



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

Consolidated statement of cash flows		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	-
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,487	3,886
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(671)	(2,055)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(65)	(80)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,751</b>	<b>1,751</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,751	2,487
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,751</b>	<b>2,487</b>

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

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 <sup>2</sup>	221
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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: Nil		

<sup>2</sup> Aggregate amount of payments to related parties and their associates totals \$220,814, consisting of director's salary, benefits and superannuation (\$209,862), directors' fees (\$10,952)

<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)	(671)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(671)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,751
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,751
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	2.61
	<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 – Item 8.7 is greater than 2 quarters.	
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 – Item 8.7 is greater than 2 quarters.	
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 – Item 8.7 is greater than 2 quarters.	
	<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: 31 January 2023

Authorised by: Company's Disclosure Officers<sup>3</sup>  
(Name of body or officer authorising release – see note 4)

<sup>3</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.