

## **JUNE 2014 QUARTERLY ACTIVITIES REPORT**

### **HIGHLIGHTS**

- *An updated JORC (2012) compliant Inferred Resource of 1,504 million tonnes within EPC1399 of the Blackall Project;*
- *An updated JORC (2012) Exploration Target of 2.0 to 2.5 billion tonnes of coal within the Blackall Project (EPC1398 & EPC1399);*
- *Mineral Development Licence (MDL)464 granted to EER;*
- *DNRM approved “Project Status” for 5 EPC’s within Blackall Project.*

### **SUMMARY**

During the June 2014 Quarter, East Energy Resources Limited (ASX: **EER** – “EER” or “the Company”) progressed developments at its key coal project in Queensland, with an updated JORC compliant Coal Resource Statement for EPC1399, in addition to an updated Exploration Target. The Company was granted MDL464 by the Department of Natural Resource and Mines (DNRM) in Queensland and was also granted “Project Status” for five tenements within the Blackall Project.

### **BLACKALL COAL PROJECT**

The Blackall Project consists of three main coal resource areas in three tenements (EPC1149, EPC1398 and EPC1399). It is located immediately to the south of the township of Blackall in the eastern Eromanga Basin in central western Queensland.

The Company completed an updated JORC compliant Coal Resource Statement for EPC1399 (announced to the ASX on 10/7/2014) within the Blackall Project, comprising a **JORC (2012) compliant Inferred Resource of 1,504 million tonnes.**<sup>Note 1</sup>

The updated Statement, together with the previously announced JORC Statements for EPC1149 and EPC 1398, confirms the Company holds a combined **JORC Total Coal Resource Estimate of 3.44 billion tonnes** of thermal quality coal at its Blackall Coal Project.<sup>Note 1</sup>

The Company also announced an updated Exploration Target in the range of 2.0 to 2.5 billion tonnes within EPC1398 and EPC1399. All references to Reported Exploration Targets are in accordance with the guidelines of the JORC Code (2012). As such, the potential quantity and grade is conceptual

### **ASX: EER**

East Energy Resources is a coal exploration and development company primarily focused in the Eromanga Basin in Queensland.

EER has combined Total JORC Resources of 3.44Bt of Thermal Coal (627.5Mt Indicated and 2817Mt Inferred) located south west of the major deposits of Hancock Coal and Waratah Coal in the Galilee Basin.

### **Capital Structure**

Share Price: \$0.044

Market Cap: \$15.68m

Shares on Issue: 356,480,930

### **Board of Directors**

Mark Basso  
Managing Director

Ranko Matic  
Non-Executive Director

Rex Littlewood  
Non-Executive Director

### **Contact Us**

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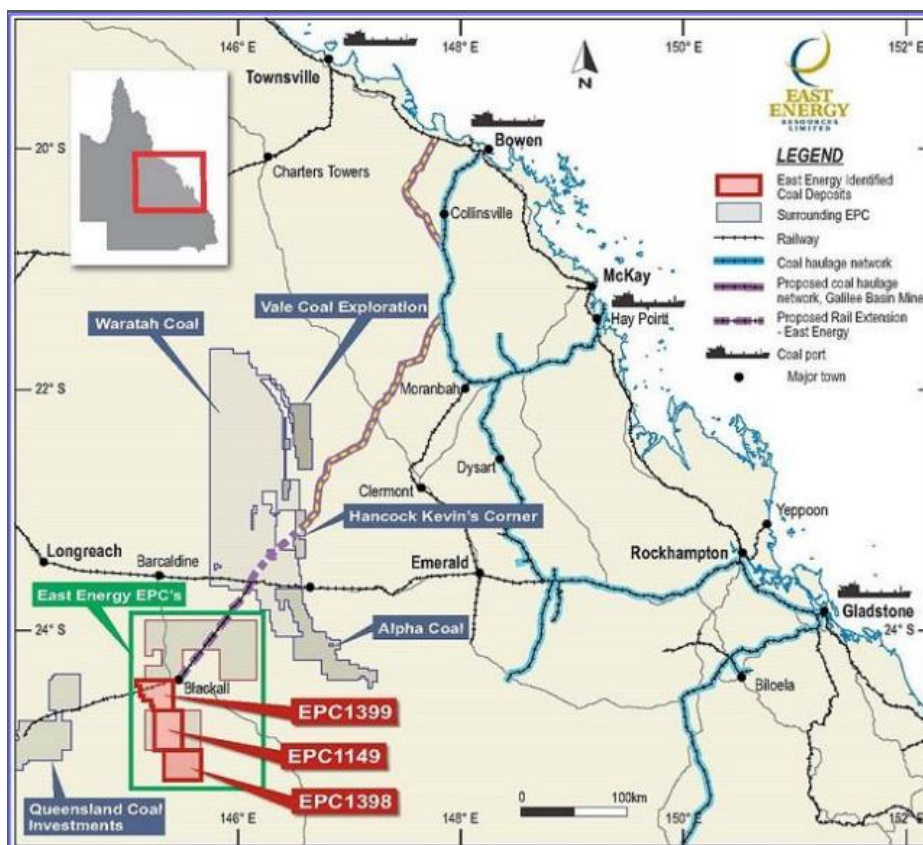
in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource. <sup>Note 1</sup>

The company continued field works at the project, including borehole grouting and drill site rehabilitation on EPC1398.

<sup>Note 1</sup>. See ASX announcement dated 10 July 2014 - EER REPORTS 3.44 BILLION TONNE JORC RESOURCE

*Disclaimer: The Company confirms that it is not aware of any new information or data that would materially affect the resources and all material assumptions and technical parameters underpinning the Resource estimates continue to apply and have not materially changed in the meantime.*

**Figure 1: Blackall Project Location Map**



### Mineral Development License

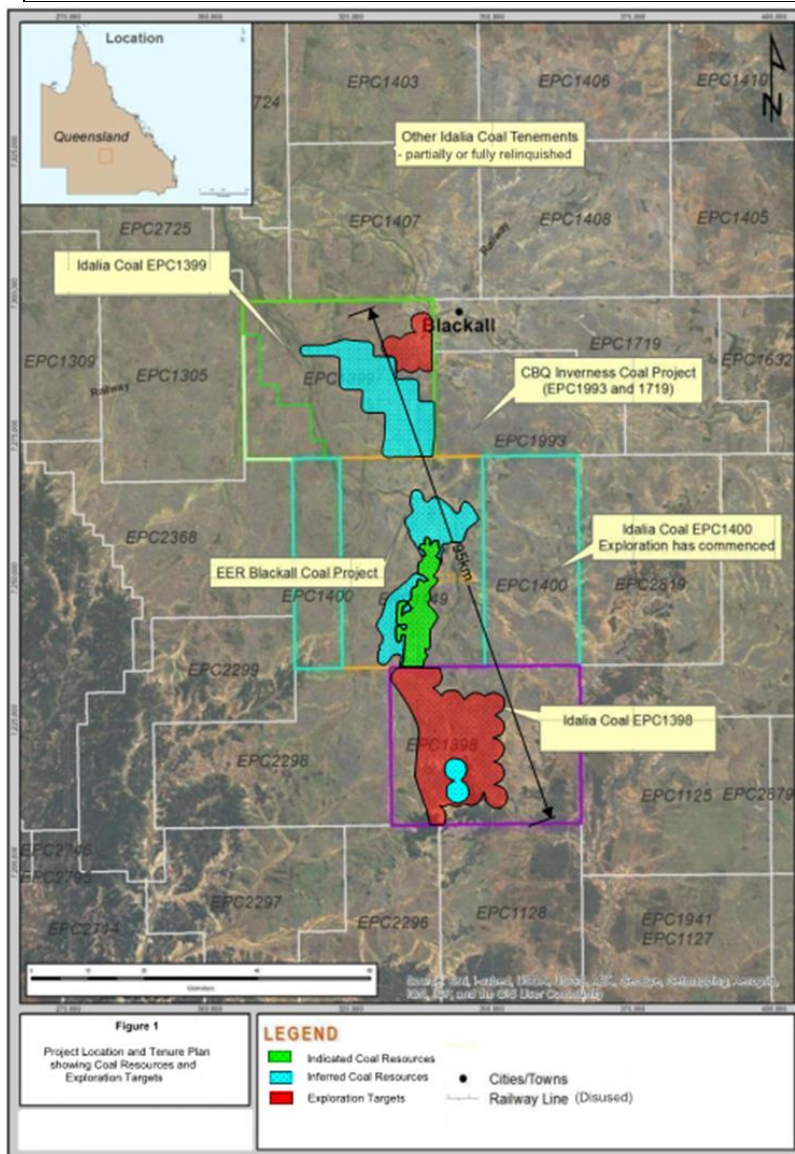
The company lodged an application for MDL464 in mid-2011, covering some 37,678Ha over the central portion of the main coal resource area in EPC1149.

Following provision of additional information requested by DNRM in March 2014, the company agreed to DNRM's terms and conditions for the MDL during the current Quarter. Subsequently, the Company was advised by DNRM on 20 July 2014 that MDL464 had been granted for a period of 5 years, with a commencement date from 1 August 2014.

Project Status approved

DNRM advised the Company that it had granted Project Status over five tenements within the Blackall Project. The approval of Project Status will enable the annual exploration commitment expenditures required on these five EPC's – 1398, 1399, 1400, 1403 and 1407 to be grouped, which should allow the company to better focus future exploration programs and conduct them using capital more effectively and efficiently.

**Figure 2: Blackall Project - Coal Resource and Exploration Target areas**



**CORPORATE**

The Company continues to review strategic options for exploration and development planning across the proposed MDL and the three EPCs covering the main body of the known coal resource and exploration target.

EER is also continuing to appraise and review a number of other new project resource opportunities to enhance its project portfolio and increase the overall value proposition of EER. The Company will consider all resource commodities to ensure it is best placed to deliver value and upside potential for all its shareholders.

#### KEY OBJECTIVES FOR SEPTEMBER 2014 QUARTER

- ✦ Continue to review strategic options for exploration and development planning within the Blackall Project;
- ✦ Continue to review new project opportunities to enhance EER project portfolio.

#### Summary of tenement holdings and movements held by East Energy Resources Ltd

Tenement Reference	Location	Interest at beginning of quarter	Acquired/ Disposed	Interest at end of Quarter
EPC 1149	Blackall, QLD	100%	N/A	100%
EPC 1398	Blackall, QLD	100%	N/A	100%
EPC 1399	Blackall, QLD	100%	N/A	100%
EPC 1400	Blackall, QLD	100%	N/A	100%
EPC 1402	Blackall, QLD	100%	Fully relinquished June 2014	100%
EPC 1403	Blackall, QLD	100%	N/A	100%
EPC 1405	Blackall, QLD	100%	Fully Relinquished May 2014	100%
EPC 1407	Blackall, QLD	100%	N/A	100%
EPC 1408	Blackall, QLD	100%	Currently being relinquished	100%
EPC 1409	Blackall, QLD	100%	Currently being relinquished	100%
MDL 464	Blackall, QLD	100%	Granted 20 July 2014	100%

#### Summary of Farm-in and Farm-out Arrangements held by East Energy Resources Ltd

Tenement Reference	Location	Interest at beginning of quarter	Acquired/ Disposed	Interest at end of Quarter
None	N/A	N/A	N/A	N/A

ENDS

#### Further information:

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**Competent Persons Statement – EPC 1399 Resources**

*The information in this report relating to estimates of Mineral Resources within EPC 1399, is based on information compiled by Mr Peter Tighe who is a member of the Australian Institute of Mining and Metallurgy. Mr Tighe is employed full time as Exploration Manager with East Energy Resources Limited. Mr Tighe has had over 30 years' experience in exploration, mining and resource evaluation and 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 Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tighe consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.*

**Competent Persons Statement – Exploration Targets**

*The information in this announcement relating to Exploration Targets within EPC 1398 and EPC 1399 is based on information compiled by Mr Peter Tighe who is a Member of The AusIMM and a full time employee of East Energy Resources Ltd. Mr Tighe 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tighe consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.*

**Forward Looking Statements**

*This Announcement may contain forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place undue reliance on forward-looking statements and neither East Energy Resources Limited nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.*

*The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.*