EAST ENERGY RESOURCES LIMITED

ACN 126 371 828

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:30am

DATE: Friday, 21st May 2021

PLACE: Consilium Corporate Office, Level 2, 22 Mount Street, PERTH WA

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of the Shareholder approval under section 611 (item 7) of the Corporations Act. The Independent Expert's Report comments on the advantages and disadvantages of the transaction the subject of Resolution 1 to the non-associated Shareholders. The Independent Expert has determined that, in the absence of an alternate offer, the advantages of the Maylion Transaction to the non-associated shareholders outweigh the disadvantages to the non-associated shareholders of the Maylion Transaction.

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm on Wednesday, 19th May, 2021.

ASX takes no responsibility for the contents of this Notice.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL OF MAYLION ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of section 611 (Item 7) of the Corporations Act and for all other purposes, approval is given for* Axis Minerals Pty Ltd (**Axis**) and James Newbury to acquire a relevant interest in 2,990,419,558 Shares on the terms and conditions set out in the Explanatory Statement, which will result in Axis' and James Newbury's voting power in the Company increasing from 0% to 93.42%."

A voting prohibition statement applies to this Resolution. Please see below.

Expert's Report: Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required for Resolution 1 under section 611 (Item 7) of the Corporations Act. The Independent Expert's Report provides an analysis of the advantages and disadvantages of the transaction the subject of this resolution to the non-associated Shareholders in the Company.

Dated: 20 April 2021

By order of the Board

Ms Andrea Betti
Company Secretary
East Energy Resources Limited

Voting Prohibition Statement

Resolution 1 – Approval to issue Shares	No votes may be cast in favour of this Resolution by: (a) the person proposing to make the acquisition and their associates; or (b) the persons (if any) from whom the acquisition is to be made and their associates. Accordingly, the Company will disregard any votes cast on this Resolution by Axis Minerals Pty Ltd, Noble Netherlands B.V (or its subsidiary, Maylion Pty Ltd); and any of their respective associates.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

(a) each Shareholder has a right to appoint a proxy;

(b) the proxy need not be a Shareholder of the Company; and

(c) a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

(a) if proxy holders vote, they must cast all directed proxies as directed; and

(b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

You may still attend the meeting and vote in person even if you have lodged appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the meeting. If you do not bring your Proxy Form with you, you can still attend the meeting but representatives from Advanced Share Registry will need to verify your identity. You can register from 9:45am on the day of the meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6188 8181.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass Resolution 1.

The Company notes that, as announced on 17 September 2020, the Company's securities have been suspended from Official Quotation, pending the outcome of the Maylion Acquisition. As set out in Section 1.2, one of the conditions precedent to the Maylion Acquisition is that Shareholders approve the acquisition in accordance with item 7 of section 611 of the Corporations Act, which is the subject of Resolution 1.

Resolution 1 is important for the future direction of the Company, and Shareholders should read this Notice in its entirety.

The Company's Shares have been suspended from quotation since 17 September 2020.

ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to reinstate the Company's Shares to quotation on the Official List. Investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's Securities.

There is a risk that ASX will not grant the Company approval to reinstate it securities on the Official List following completion of the Maylion Acquisition.

1. BACKGROUND TO THE MAYLION ACQUISITION

1.1 General

Noble Netherlands BV (Registered Number: 24379934), an entity incorporated in The Netherlands (**Noble**) is a major shareholder of the Company, which currently holds 2,990,419,558 fully paid ordinary shares in the capital of the Company (**Shares**) through Maylion Pty Limited (ACN 148 876 331) (**Maylion**), its wholly owned subsidiary. Through Maylion, Noble controls 93.42% of the issued capital of the Company (Refer to the Form 603 "Notice of initial substantial holder" lodged the Company on its ASX Platform on 24 December 2018).

Axis Minerals Pty Ltd (ACN 618 470 081) (**Axis**) is an Australian proprietary limited company with a focus on mining massive and semi-massive magnetite ore and producing iron ore, magnetite heavy metal sand concentrates, limestone, and base metal (including zinc and copper) concentrates. Axis also owns 100% of the shares in Mt Moss Mining Pty Ltd (ACN 117 660 830) (**Mt Moss**), an entity that owns an iron ore project based in Queensland (**Mt Moss Project**). Mt Moss holds a range of approved Mining Leases and freehold land parcels in Queensland which contain base metal ore and limestone; and owns a complete beneficiation plant, including crushing, screening, dry magnetic separation, milling, wet gravity and wet magnetic separation circuits.

James Newbury is the sole director and shareholder of Axis and the sole director of Mt Moss.

1.2 Maylion Acquisition Agreement

In December 2020, Axis and Noble entered into a binding share sale and purchase agreement (**Maylion Acquisition Agreement**), pursuant to which Noble agreed to sell, and Axis agreed to purchase, 100% of the issued capital of Maylion (**Maylion Acquisition**). The material terms and conditions of the Maylion Acquisition Agreement are as follows:

Acquisition	Noble agrees to sell, and Axis agrees to purchase, 100% of the issued capital of Maylion (**Maylion Shares**).
Settlement	Settlement of the Maylion Acquisition will occur on the date that is 5 business days after the satisfaction or waiver of the Conditions.
Consideration	Consideration for the Maylion Shares, Axis: (a) paid $250,000 to Noble on the date of execution of the Maylion Acquisition Agreement; (b) will pay a further $250,000 to Noble on the date that the Company releases a notice convening a Shareholder meeting containing contains a resolution for the approval of the transaction contemplated by the Maylion Acquisition Agreement pursuant to item 7 of section 611 of the Corporations Act (being the subject of Resolution 1, convened by this Notice); and (c) will grant Noble a royalty equal to $5.00 per dry metric tonne of iron ore sold or otherwise disposed from the Mt Moss Project (up to a maximum royalty of $2,000,000 Axis has agreed to secure the royalty by providing Noble with a fixed and floating charge over the proceeds of sale of certain iron ore products and a portion of the property, plant and equipment of Mt Moss.
Conditions Precedent	Settlement of the Maylion Acquisition Agreement is subject to and conditional on the following: (a) a resolution of the Company's Shareholders, approving the Maylion Acquisition pursuant to item 7 of section 611 of the Corporations Act (the subject of Resolution 1); (b) entry of Noble and Axis into a royalty agreement and security documentation to give effect to the above royalty and security arrangements; (c) all regulatory and other third party consent and approvals are required to implement the Maylion Acquisition; (d) Noble extinguishing all existing indebtedness owed by the Company and Maylion to Noble; and (e) Axis procuring the release and discharge of security interests held by the National Australia Bank Limited over Mt Moss.

For the avoidance of doubt, the Company confirms it is not a party to the Maylion Acquisition Agreement and that the terms of the Maylion Acquisition were negotiated between Noble and Axis independently of the Company.

2. RESOLUTION 1 – APPROVAL OF MAYLION ACQUISITION

As completion of the Maylion Acquisition will result in Axis and James Newbury acquiring a relevant interest of 93.42% of the ordinary shares in the Company, the

acquisition will breach the general prohibition set out in section 606(1) of the Corporations Act (the 20% rule), unless one of the relevant exceptions set out in section 611 of the Corporations Act applies. Further details of the legislative regime underpinning the 20% rule are set out below.

Resolution 1 seeks Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act for Axis and James Newbury to acquire a relevant interest in the Company pursuant to the Maylion Acquisition. Shareholder approval of the Maylion Acquisition forms one of the conditions precedent to the Maylion Acquisition Agreement (the material terms and conditions of which are set out in Section 1.2).

2.1 Legislative Regime

(a) **Section 606 of the Corporations Act – Statutory Prohibition**

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

(i) from 20% or below to more than 20%; or

(ii) from a starting point that is above 20% and below 90%,

(**Prohibition**).

(b) **Voting Power**

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) **Associates**

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an "associate" of the other person (**first person**) if:

(i) (pursuant to section 12(2) of the Corporations Act) the first person is a body corporate and the second person is:

(A) a body corporate the first person controls;

(B) a body corporate that controls the first person; or

(C) a body corporate that is controlled by an entity that controls the person;

(ii) the second person has entered or proposes to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or

(iii) the second person is a person with whom the first person is acting or proposes to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example where a person controls or influences the board or the conduct of a company's business affairs, or acts in concert with a person in relation to the entity's business affairs.

(d) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

(i) are the holder of the securities;

(ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or

(iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

(i) a body corporate in which the person's voting power is above 20%;

(ii) a body corporate that the person controls.

2.2 Reason Section 611 Approval is Required

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

Axis does not currently hold any Shares and, therefore, has 0% voting power in the Company as at the date of this Notice.

Following completion of the Maylion Acquisition, Maylion will continue to have a voting power in the Company of 93.42% and as Axis and James Newbury will control Maylion, Axis and James Newbury will also have a relevant interest in the Shares held by Maylion and Maylion's corresponding voting power:

Holder of relevant interest	Registered holder of securities	Nature of relevant interest	Class and number of securities	Person's votes	Voting power
Maylion Pty Ltd	Maylion Pty Ltd	Registered holder	2,990,419,558 Shares	2,990,419,558	93.42%
Axis Minerals Pty Ltd	Maylion Pty Ltd	Axis will control Maylion as Axis will be the sole shareholder and therefore will have a relevant interest under	2,990,419,558 Shares	2,990,419,558	93.42%

		section 608(3) of the Corporations Act			
James Newbury	Maylion Pty Ltd	James Newbury holds 100% of the shares in Axis (which in turn will control Maylion) and therefore will have a relevant interest under section 608(3) Corporations Act	2,990,419,558 Shares	2,990,419,558	93.42%

Accordingly, upon completion of the Maylion Acquisition, Axis' and James Newbury's voting power will exceed 20%.

Shareholder approval under item 7 of section 611 of the Corporations Act is therefore required to enable Axis to be transferred Maylion Shares.

The table above details the voting power Axis and James Newbury will acquire as a result of the Maylion Acquisition.

2.3 Specific Information required by section 611 (Item 7) of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd attached to this Explanatory Statement as a Schedule.

(a) **Identity of the Acquirer and its Associates**

Axis is an Australian proprietary limited company which was established in 2017 and is 100% controlled by James Newbury.

Axis' core focus is mining massive and semi-massive magnetite ore and producing iron ore, magnetite heavy metal sand concentrates, limestone, and base metal (including zinc and copper) concentrates.

As set out in Section 2.2 above, Axis does not currently hold any shares in the capital of the Company and, accordingly, has 0% voting power in the Company. Additionally, Axis does not have any associates who hold shares in the capital of the Company.

James Newbury is Axis' sole director and shareholder. James Newbury does not currently hold any shares in the capital of the Company and, accordingly, has 0% voting power in the Company. James does not have any associates who hold shares in the Company.

Axis or James Newbury are not related parties of Noble or the Company.

(b) **Relevant Interest and Voting Power**

Axis does not currently hold any Shares and, therefore, has 0% voting power in the Company as at the date of this Notice.

Table 1: Ownership of Shares

Following completion of the Maylion Acquisition, Axis and James Newbury will acquire a relevant interest in the following Shares through controlling the registered holder of the Shares, Maylion:

Holder of relevant interest	Registered holder of securities	Nature of relevant interest	Class and number of securities	Person's votes
Maylion Pty Ltd	Maylion Pty Ltd	Registered holder	2,990,419,558 Shares	2,990,419,558
Axis Minerals Pty Ltd	Maylion Pty Ltd	Axis will control Maylion as Axis will be the sole shareholder and therefore will have a relevant interest under section 608(3) of the Corporations Act	2,990,419,558 Shares	2,990,419,558
James Newbury	Maylion Pty Ltd	James Newbury is the sole shareholder and director of Axis (which in turn will control Maylion) and therefore will have a relevant interest under section 608(3) Corporations Act	2,990,419,558 Shares	2,990,419,558

Table 2: Summary of changes of Voting Power and Maximum Increases in Voting Power

	All Shareholders	Non-associated Shareholders	Maylion	Axis Minerals and James Newbury
Current shareholding	3,200,987,035	210,567,477	2,990,419,558	0
Current Voting Power	100%	6.58%	93.42%	0%
Post-acquisition relevant interests	3,200,987,035	210,567,477	2,990,419,558	2,990,419,558
Post-conversion Voting Power	100%	6.58%	93.42%	93.42%

Table 2 demonstrates that, upon completion of the Maylion Acquisition, Axis' and James Newbury's relevant interest in the Company will increase from 0% to a maximum of 93.42%. However, as the proposed transaction involves the change in legal and beneficial ownership of Maylion (the registered holder of the Shares in the Company), non-associated Shareholders will see no change in their collective relevant interests, which will remain at 6.58%.

(c) **Reasons for the proposed issue of securities**

As set out in Section 1.2 of this Explanatory Statement, Noble intends to sell 100% of the Maylion Shares to Axis. As consequence of this transaction, Axis and James Newbury will gain control of 93.42% of the Company's Shares.

(d) **Date of proposed issue of securities**

The Company notes that the 'proposed issue' for the purposes of item 7 of section 611 of the Corporations Act relates to the change in ultimate ownership of 93.42% of the Company's Shares following Axis' acquisition of the Maylion Shares.

The Company confirmed that no additional Shares will be issued pursuant to the Maylion Acquisition.

The Maylion Shares will be transferred to Axis upon settlement of the Maylion Acquisition, which will occur five business days after the satisfaction or waiver of all conditions to the Maylion Acquisition Agreement, including Shareholder approval of this Resolution 1 (refer to Section 1.2 for a summary of the material terms and conditions of the Maylion Acquisition Agreement).

The Company considers that completion of the Maylion Acquisition is expected to occur on or before the end of May 2021.

(e) **Material terms of proposed issue of securities**

The fully paid ordinary shares in the capital of the Company held by Maylion are already on issue, and rank *pari passu* with the remaining Shares. As set out above, the Maylion Acquisition will only result in the change in ultimate control of existing Shares. Accordingly, no additional Shares will be issued pursuant to the Maylion Acquisition.

(f) **Axis' and James Newbury's Intentions**

Axis and James Newbury have informed the Company that, as at the date of this Notice of Meeting and on the basis of the facts and information available to them, that:

(i) they support the Company's existing business strategy, which involves reviewing new opportunities to enhance the Company's project portfolio and increase the overall value proposition of the Company and reviewing strategic options for development of the Blackall Project; and

(ii) in accordance with ASIC Regulatory Guide 74, other than as otherwise stated in this Notice, they:

(A) will be working with the board of the Company to review the options open to the Company for acquisition and development of associated projects (including other projects held by Axis or its associates such as Mt Moss or the Mt Moss Project) in order to establish "co-product" opportunities for the "Blackall Project". Any review of targeted "co-product" projects, subject to, where relevant, ASX and Shareholder approvals, will potentially result in a significant change to the business of the Company;

(B) will be working with the board of the Company to assess avenues to raise additional working capital, either on a debt or equity basis to inject further capital into the Company which may include raising capital from Axis or James Newbury, subject to receipt of any required ASX or Shareholder approvals;

(C) will be working with the board of the Company to review the suitability of incumbent staff thereby potentially affecting the future employment of the present employees of the Company;

(D) has no present intention to redeploy any fixed assets of the Company;

(E) has no present intention to transfer any property from the Company to Axis but may consider the transfer of assets to the Company in conjunction with identified "co-product" opportunities referred to in paragraph (A) above;

(F) has no present intention to change the Company's existing policies in relation to financial matters or dividends; and

(G) intends to seek appointment of 4 new directors with an intention to seek the retirement of two of the existing sitting directors. Further details on the potential new directors are set out in Section 2.3(g)

In its capacity as a major Shareholder, Axis will provide input regarding its views on the direction of the business, including in relation to the above matters where appropriate.

These present intentions may change as new information becomes available, as circumstances change or in light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

(g) Identity of Potential New Directors

As noted above in Section 2.3(f)((ii)(G), following completion of the Maylion Transaction, Axis will seek to appoint 4 new directors to the Company.

Axis has advised the Company that it intends to seek appointment of the following new Directors:

(i) James Newbury | Managing Director

James has had extensive experience in project management and developing mine operations, in Australia, Indonesia, Philippines, and Laos. James has been involved in all facets of several mining operations in Queensland, including permitting, environmental assessment and compliance, feasibility studies, metallurgy, mining operations, off-take, logistics and export of mineral concentrates. James is the Sole Director of Mt Moss

Mining Pty Ltd, and sole shareholder and director of AXIS Minerals Pty Ltd.

(ii) Grant Ferguson | Technical Director

Grant has significant African and country experience in his over twenty-six years' in mining, exploration and development roles encompassing a number of Australian mining and energy executive directorships in public and private companies. Grant has direct experience at the Mt Moss Iron Project and involved in the geology, mining, and creation of the JORC resource estimates in 2014 and 215 and underground concept study.

Grant's experience includes precious and base metals, bulk commodities (coal & iron ore) and renewable energy projects across Australia, Africa, Asia, North America, Europe, and the Middle East. Grant has total project experience, from proof of concept, exploration, scoping/pre-feasibility/feasibility studies, Initial Public Offering (IPO) through to EPCM and operations.

Grant is a Fellow of the Australian Institute of Geoscientists (AIG), Member of the Australian Institute of Mining and Metallurgy (AusIMM).

(iii) Stephen Ross | Director

Mr Ross is a geologist and public company director that has been involved in the international minerals industry in technical, business development and corporate positions for over 25 years. Stephen has sourced investments of over $100m for junior explorers and pre-development resource companies worldwide while holding senior management and technical positions when based in Central Asia, West Africa and Sri Lanka.

Mr Ross specialises in finding new projects in frontier economies while attracting minerals investment and establishing and managing operations whilst building a development team for new projects. He has developed strong relationships with investors and resource companies from Australia, Europe, China, Russia, Central Asia, South-East Asia and West Africa.

Stephen is a Member of the Australian Institute of Mining and Metallurgy (AusIMM) and a Fellow of the Financial Services Institute of Australia.

(iv) Bryan Duncan | Director

An experienced commodities trader and risk manager with 16years of experience in companies like Noble Citi, Deutsche bank, he has led regional trading teams across Asia and has strong relationships on the origination and consumption side. He has worked across physical trading, structured trade finance, sales/ trading roles. Within Asia he has worked in Australia, Indonesia, Singapore, Hong Kong and more recently China where he managed the commodities business for Citibank and Deutsche bank.

More recently Bryan has worked with Bedford Row Capital to drive the Fixed Income structuring business in Asia with a strong supply chain finance business and expand the firm's coverage in Asia, where he has expanded his exposure the to a variety of Fixed Income solutions for clients and investors.

Other than James Newbury, who as per above is the sole shareholder of Axis, none of the proposed directors have any interest in Axis, Noble, the Company or the Maylion Transaction.

Following settlement of the Maylion Transaction, it is intended that the above Directors will be appointed as additional directors by the Board with their appointment confirmed by Shareholders at the Company's upcoming Annual General Meeting.

Axis considers that the newly constituted Board will be well placed to implement the Company's business objectives and strategy. Any further appointments to the Board would be made after due consideration to the Company's requirements and to the availability of candidates with the requisite skills and, where applicable, depth of sector experience. Axis confirms that it has no intention for the Company to be externally managed and the Board will have full responsibility for the Company's activities. The Directors will also make up the senior management team.

(h) **Interests and Recommendations of Directors**

None of the current Board members have a material personal interest in the outcome of Resolution 1.

Based on the information available, including that contained in this Explanatory Memorandum and the Independent Expert's Report, all of the Directors consider that the completion of the Maylion Acquisition is in the best interests of the Company.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

Each of the Directors recommend that Shareholders vote in favour of Resolution 1.

(i) **Capital Structure**

Completion of the Maylion Acquisition will not affect any change to the capital structure of the Company.

2.4 Independent Expert's Report – Resolution 1

The Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd (a copy of which is attached as a Schedule to this Explanatory Statement) has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 76 'Related party transactions' ('RG 76'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

The Independent Expert's Report concludes that, **in the absence of an alternate offer, the advantages of the Maylion Transaction to the non-associated Shareholders outweigh the disadvantages of the Maylion Transaction to the non-associated Shareholders.**

The Independent Expert is of the opinion that the potential advantages of the Maylion Transaction are as follows:

(a) No control premium will be payable by Axis under the Maylion Transaction, meaning that Shareholders will not miss out on the opportunity to receive a premium for control for their Shares.

(b) An alternative for Maylion, should the Maylion Transaction not proceed, could be to sell its Shares on market, which may decrease the Company's Share price

(c) Noble will extinguish all existing indebtedness owed by Maylion and EER to Noble or its affiliates.

(d) Shareholders will experience no dilution to their individual holdings in the Company, or their collective interests in the Company.

The Independent Expert is of the opinion that the potential disadvantage of the Maylion Transaction is that should the Maylion Transaction proceed, Noble will no longer be a shareholder in EER, potentially resulting in the Company losing the financial support of Noble.

Shareholders are urged to carefully read the Independent Expert's Report in full before deciding on how to vote on the Resolution.

GLOSSARY

$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Axis means Axis Minerals Pty Ltd (ACN 618 470 081).

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means East Energy Resources Limited (ACN 126 371 828).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Listing Rules means the Listing Rules of ASX.

Maylion means Maylion Pty Limited (ACN 148 876 331).

Maylion Acquisition means the proposed acquisition of the Maylion Shares by Axis.

Maylion Acquisition Agreement has the meaning given to it in Section 1.2.

Maylion Shares means fully paid ordinary shares in the capital of Maylion.

Mt Moss means Mt Moss Mining Pty Ltd (ACN 117 660 830).

Mt Moss Project has the meaning given to it in Section 1.1.

Noble means Noble Netherlands BV (Registered Number: 24379934), an entity incorporated in The Netherlands.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

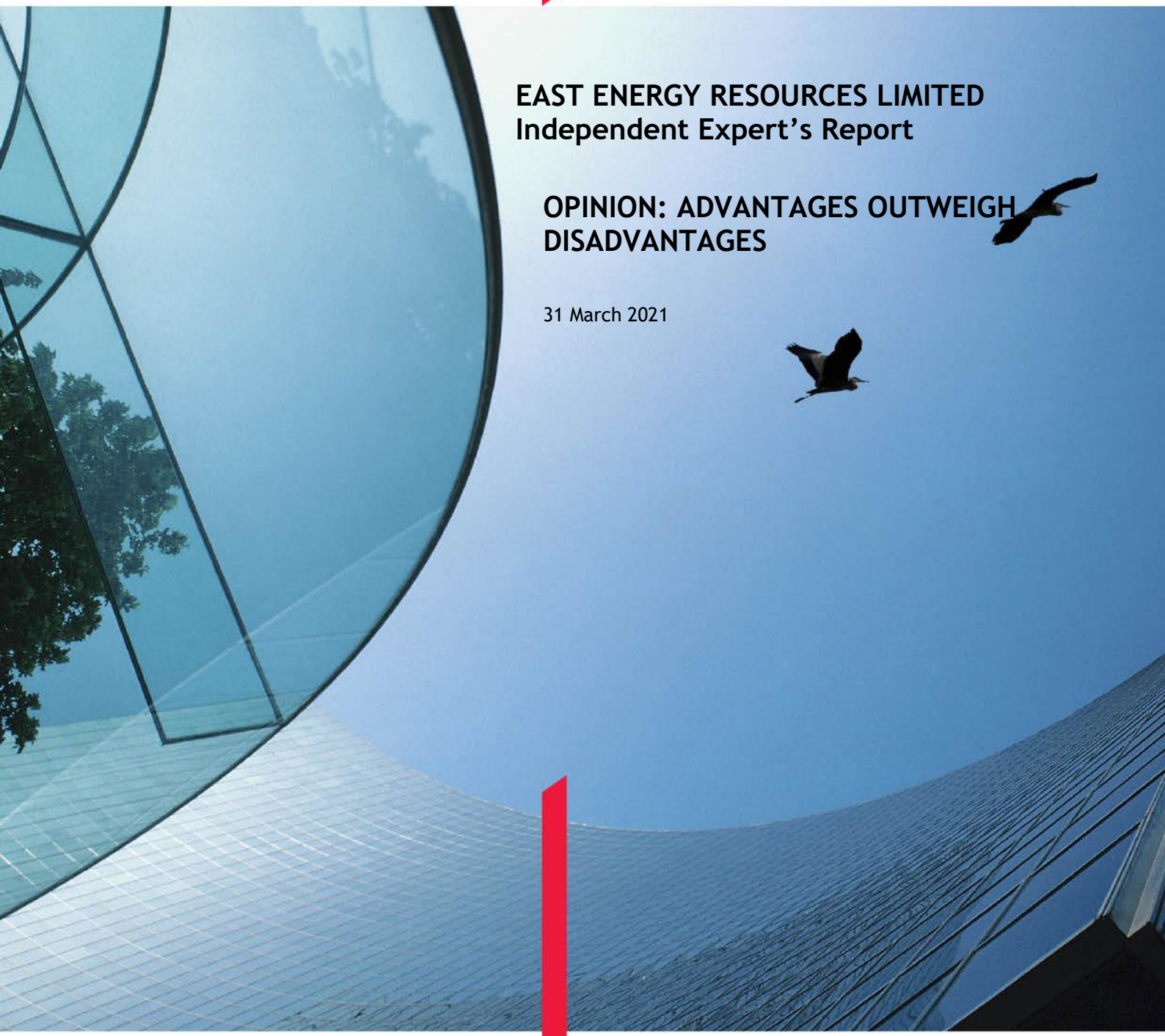
Resolution means a resolution set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.



EAST ENERGY RESOURCES LIMITED
Independent Expert's Report

OPINION: ADVANTAGES OUTWEIGH DISADVANTAGES

31 March 2021

BDO

Financial Services Guide

31 March 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (**'we'** or **'us'** or **'ours'** as appropriate) has been engaged by East Energy Resources Limited (**'EER'**) to provide an independent expert's report on the proposal for Axis Minerals Pty Ltd (**'Axis'**) to acquire 93.42% of the issued capital in EER, through its acquisition of Maylion Pty Ltd (**'Maylion'**), the current holder of those shares. You are being provided with a copy of our report because you are a shareholder of EER and this Financial Services Guide (**'FSG'**) is included in the event you are also classified under the Corporations Act 2001 (**'the Act'**) as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by EER to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide
This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us
We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide
We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice
We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive
We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately $28,000 (excluding GST and out-of-pocket expenses).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in EER.

Remuneration or other benefits received by our employees
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from EER for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals
We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution
Internal complaints resolution process
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme
A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('**AFCA**').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('**FOS**') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

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31 March 2021

The Independent Directors
East Energy Resources Limited
Level 2, 22 Mount Street
Perth, WA, 6000

Dear Independent Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 30 December 2020, East Energy Resources Limited ('**EER**' or '**the Company**') announced that it had been advised by Noble Netherlands BV ('**Noble**'), the owner of the Company's majority shareholder, Maylion Pty Ltd ('**Maylion**'), that Noble had entered into an agreement to sell its 100% interest in Maylion to Axis Minerals Pty Ltd ('**Axis**') ('**the Transaction**'). Under the terms of the Transaction, the consideration payable by Axis to Noble will be $500,000 in cash, payable in two equal tranches ('**Cash Consideration**').

A condition precedent to the Transaction, is that Axis enters into a royalty agreement whereby Mt Moss Mining Pty Ltd ('**Mt Moss**'), a wholly-owned subsidiary of Axis, agrees to pay Noble a royalty of $5 per dry tonne of iron ore sold or otherwise disposed from the Mt Moss Project, up to a maximum royalty of $2.0 million ('**Royalty**').

James Newbury is the sole director and shareholder of Axis. As the Transaction will result in Axis and James Newbury's ownership of EER increasing from below 20% to more than 20%, approval from EER shareholders not associated with the Transaction ('**the Shareholders**') is required in order for the Company to enter into the Transaction.

The Transaction is presented as Resolution One in the Notice of Meeting.

Further details of the Transaction are outlined in Section 4 of our Report. All figures are quoted in Australian dollars ('**A$**' or '**AUD**') unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The directors of EER have requested that BDO Corporate Finance (WA) Pty Ltd ('**BDO**') prepare an independent expert's report ('**our Report**') to express an opinion as to whether the advantages of the Transaction outweigh the disadvantages from the perspective of Shareholders.

Our Report is prepared pursuant to Item 7 of section 611 of the Corporations Act 2001 Cth ('**Corporations Act**' or '**the Act**') and is to be included in the Notice of Meeting for EER in order to assist Shareholders in their decision whether to approve the Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('**ASIC**') Regulatory Guide 74 'Acquisitions Approved by Members' (**'RG 74'**), Regulatory Guide 76 'Related party transactions' ('**RG 76**'), Regulatory Guide 111 'Content of Expert's Reports' ('**RG 111**') and Regulatory Guide 112 'Independence of Experts' ('**RG 112**').

In arriving at our opinion, we have assessed the terms of the Transaction as outlined in the body of this report. We have considered:

- How the advantages of the Transaction compare to the disadvantages of the Transaction;
- The likelihood of a takeover offer being made for EER, therefore providing Shareholders with the opportunity to receive a control premium for their shares;
- Whether a premium for control is being offered in relation to the transfer of EER shares and whether this is appropriate;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction; and
- The position of Shareholders should the Transaction not proceed.

2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that, in the absence of an alternate offer, the advantages of the Transaction to Shareholders outweigh the disadvantages.

We consider the advantages to outweigh the disadvantages because there is no shift in value or dilution resulting from the transfer of existing shares between Noble and Axis. In addition, there is no premium for control to be paid by Axis and as such, Shareholders are not missing out on the opportunity to participate and receive a premium for control for their shares. For further detail, please refer to Section 11 of our Report.

2.4 Advantages and Disadvantages

We have considered the analysis in Section 11 of this report, in terms of both:

- advantages and disadvantages of the Transaction; and
- other considerations, including the position of Shareholders if the Transaction does not proceed and the consequences of not approving the Transaction.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	**Advantages**	**Section**	**Disadvantages**
11.1.1	No control premium will be payable by Axis under the Transaction, meaning that Shareholders will not miss out on the opportunity to receive a premium for control for their shares	11.2.1	Should the Transaction proceed, Noble will no longer be a shareholder in EER, potentially resulting in the Company losing the financial support of Noble

ADVANTAGES AND DISADVANTAGES			
Section	**Advantages**	**Section**	**Disadvantages**
11.1.2	An alternative for Maylion, should the Transaction not proceed, could be to sell its shares on market, which may decrease the Company's share price		
11.1.3	Noble will extinguish all existing indebtedness owed by Maylion and EER to Noble or its affiliates		
11.1.4	Shareholders will experience no dilution to their individual holdings in the Company, or their collective interests in the Company		

Source: BDO analysis

Other key matters we have considered include:

Section	Description
11.3	Alternative Proposals
11.4	If the Transaction is approved, will it deter a takeover bid?
11.5	Practical Level of Control
11.6	Consequences of not approving the Transaction

3. Scope of the Report

3.1 Purpose of the Report

Section 606 of the Corporations Act ('**Section 606**') expressly prohibits the acquisition of shares by a party if the party acquiring the interest does so through a transaction and because of the transaction, that party (or someone else's voting power in the company) increases from 20% or below to more than 20%.

Section 611 of the Corporations Act ('**Section 611**') provides exceptions to the Section 606 prohibition and item 7 Section 611 ('**item 7 s611**') permits such an acquisition if the shareholders of EER have agreed to the acquisition. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by the party to the acquisition or any party who is associated with the acquiring party. Item 7 s611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that to satisfy the obligation to provide all material information on how to vote on the item 7 resolution, EER can commission an Independent Expert's Report.

The directors of EER have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

In determining whether the advantages of the Transaction outweigh the disadvantages, we have had regard to the views expressed by ASIC in RG 111. This Regulatory Guide suggests that an opinion as to whether the advantages of a transaction outweigh the disadvantages should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to affect it.

RG 111 suggests that an expert should assess whether a premium for control will be provided to the vendor of any shares. The greater any premium for control, then the greater the advantages of undertaking the transaction must be to non-associated shareholders.

RG 111 sets out that the expert should inquire whether further transactions are planned between the entity, the vendor or their associates and if any are contemplated, determine if these are at arm's length.

RG 111 also suggests that an expert should consider whether the transaction will deter the making of a takeover bid.

3.3 Adopted basis of evaluation

RG 111 suggests that the main purpose of an independent expert's report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the transaction.

Having regard to RG 111, we have completed our Report as follows:

- An investigation into the advantages and disadvantages of the Transaction (Section 11);
- An analysis of any premium for control to be received by Noble (Section 10); and
- An analysis of any other issues that could be reasonably anticipated to concern Shareholders as a result of the Transaction (Section 11).

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('**APES 225**').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

On 30 December 2020, EER announced that it had been advised by Noble, the owner of the Company's majority shareholder, Maylion, that Noble had entered into an agreement to sell its 100% interest in Maylion to Axis.

Under the terms of the Transaction, the consideration payable by Axis to Noble will be $500,000 Cash Consideration, payable in two equal tranches. The first tranche is payable at execution date (**'First Tranche'**). The second tranche is payable on the date that the Company releases a notice convening a Shareholder meeting containing a resolution for the approval of the Transaction (**'Second Tranche'**).

A condition precedent to the Transaction, is that Axis enters into a royalty agreement whereby Mt Moss, a wholly-owned subsidiary of Axis, agrees to pay Noble (or its affiliate) a royalty of $5 per dry tonne of iron ore sold or otherwise disposed from the Mt Moss Project, up to a maximum royalty of $2.0 million. Axis have agreed to secure the Royalty by providing Noble with a fixed and floating charge over the proceeds of sale of certain iron ore products and a portion of the property, plant and equipment of Mt Moss.

The Transaction is subject to certain other conditions precedent, the most significant of which are set out below:

- EER obtaining shareholder approval to proceed with the Transaction pursuant to item 7 s611;
- Entry of Noble and Axis into a royalty agreement and security documentation to give effect to the royalty and security arrangements;
- All regulatory and other third party consent and approvals required to implement the Transaction;
- Noble extinguishing all existing indebtedness owed by Maylion and EER to Noble or its affiliates; and
- Axis procuring the release and discharge of the security interests held by the National Australia Bank Limited over Mt Moss allocated registration numbers.

Axis has stated its intention to:

- Work with the Company for acquisition and development of associated projects;
- Raise additional working capital;
- Review the suitability of incumbent staff; and
- Seek the appointment of four new directors for EER and retirement of two existing EER directors.

We note that the Notice of Meeting provides mention of the risk that the ASX will not grant the Company approval to reinstate its securities on the Official List following completion of the Transaction.

5. Profile of EER

5.1 History

EER is an ASX-listed coal exploration company with operations in the Eromanga Basin in Queensland (**'QLD'**). The Company is primarily focused on its 100% owned Blackall Coal Project (**'Blackall Project'** or **'the Project'**) located in Blackall, a rural town within central western QLD. The Company was incorporated and listed on the ASX in 2007. The Company's head office is located in Perth, Western Australia.

The current directors of EER are:

- Mr. Rex Littlewood – Managing Director;
- Mr. Ranko Matic – Non-Executive Director; and
- Chris Thoroughgood – Non-Executive Director.

Idalia Coal Pty Ltd (**'Idalia'**) is a wholly-owned subsidiary of EER.

5.2 Blackall Project

The Blackall Project is located 65 kilometres (**'km'**) south of Blackall, in the Eromanga Basin in central western QLD. The Project area spans 2,500 square kilometres (**'km^2'**) and overlies the Winton Formation. The Project holds a major thermal coal deposit across three main thermal coal resource areas within MDL464, EPC1149, EPC1398 and EPC1399.

The Project is situated south west of the Galilee Basin, which hosts major coal deposits including GVK Hancock Pty Ltd's Alpha, Alpha West and Kevin's Corner projects and Waratah Coal Pty Ltd's Galilee Coal Project.

The maiden Inferred Mineral Resources Estimate (**'MRE'**) for EPC 1149 was completed during the 2013 financial year following exploration drilling conducted between 2008 and 2012. The MRE was 1,741 million tonnes (**'Mt'**), comprising 1,113Mt of Inferred Coal Resources and 628Mt of Indicated Coal Resources. The MRE was classified as Inferred and Indicated in accordance with the Australasian Code for Reporting on Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (**'JORC Code'**).

In May 2013, the Company acquired Idalia and its five tenements, located proximal to EPC1149. Following the acquisition, the Company conducted further exploration drilling on EPC1398 and EPC1399 between June 2012 and August 2013. Subsequently, in 2014, the Company announced an Exploration Target in the range of 2.0 to 2.5 billion tonnes within EPC 1398 and EPC1399 in accordance with the JORC Code.

The Company continues to monitor the progress of coal projects in the Galilee Basin and the proposed rail line for Adani Mining Pty Ltd's Carmichael Coal mine, which will provide a link for the future transportation of coal from the Project.

5.3 Recent Corporate Events

On 10 January 2020, the Company announced it had executed a loan agreement for a $500,000 unsecured loan facility with Noble, intended to be used for working capital purposes. The loan facility carries an interest rate of 9.8% per annum, with the repayment of the facility to occur within three years of the date of the agreement.

During the March 2020 quarter, the Company announced that it had made approximately $59,000 in payments to related parties and their associates for director salaries, consultancy fees, superannuation and related costs.

During the quarter ended 30 June 2020, the Company made approximately $60,000 in payments to related parties and their associates for director salaries, consultancy fees, superannuation and related costs.

On 16 September 2020, EER announced that it would be placed in a trading halt at the request of the Company, pending the release of an announcement. On 17 September 2020, the Company released its response to an ASX price query, relating to the Company's shares trading on the ASX increasing in price from a low of $0.004, to a high of $0.036 on 16 September 2020, coupled with a significant increase in the volume of the Company's shares being traded. EER's shares were subsequently suspended from trading on the ASX.

During the quarter ended 30 September 2020, the Company made approximately $59,000 in payments to related parties and their associates for director salaries, consultancy fees, superannuation and related costs.

On 19 October 2020, the Company announced that it had requested an extension of the suspension of its shares from trading on the ASX until 30 November 2020. EER stated that the extension was necessary as the Company continued discussions with its major shareholders to determine the outcome of a possible recapitalisation transaction.

On 30 November 2020, the Company requested an additional extension of the suspension of its shares from trading on the ASX until 31 December 2020. On 30 December 2020, EER released an announcement outlining the Transaction, and requested a further extension of the suspension of its shares from trading on the ASX until the Transaction is completed, which was expected to be on or before 31 March 2021.

During the quarter ended 31 December 2020, the Company made approximately $43,000 in payments to related parties and their associates for director salaries, consultancy fees, superannuation and related costs.

5.4 Historical Statements of Financial Position

Historical Statements of Financial Position	Reviewed as at 31-Dec-20 $	Audited as at 30-Jun-20 $	Audited as at 30-Jun-19 $
CURRENT ASSETS			
Cash and cash equivalents	542,802	807,693	857,008
Trade and other receivables	5,778	5,767	5,968
Other assets	27,154	36,794	44,192
TOTAL CURRENT ASSETS	**575,734**	**850,254**	**907,168**
NON-CURRENT ASSETS			
Tenement works bonds	29,500	29,500	29,000
Exploration, evaluation and development expenditure	12,327,545	5,700,000	12,120,000
TOTAL NON-CURRENT ASSETS	**12,357,045**	**5,729,500**	**12,149,000**
TOTAL ASSETS	**12,932,779**	**6,579,754**	**13,056,168**
CURRENT LIABILITIES			
Trade and other payables	36,800	25,427	17,020
Provisions	2,469	2,089	1,329
TOTAL CURRENT LIABILITIES	**39,269**	**27,516**	**18,349**
NON-CURRENT LIABILITIES			
Borrowings	2,157,365	2,065,973	1,409,571
Provisions	-	-	-
TOTAL NON-CURRENT LIABILITIES	**2,157,365**	**2,065,973**	**1,409,571**
TOTAL LIABILITIES	**2,196,634**	**2,093,489**	**1,427,920**
NET ASSETS	**10,736,145**	**4,486,265**	**11,628,248**
EQUITY			
Issued capital	86,901,419	86,901,419	86,901,419
Accumulated losses	(76,165,274)	(82,415,154)	(75,273,171)
TOTAL EQUITY	**10,736,145**	**4,486,265**	**11,628,248**

Source: EER's audited financial statements for the years ended 30 June 2019 and 30 June 2020 and reviewed financial statements for the half-year ended 31 December 2020.

We note that the Company's auditor highlighted the ability of EER to continue as a going concern as a key audit matter, in its reports for the years ended 30 June 2019 and 30 June 2020, and for the half-year ended 31 December 2020. The matter was raised due to the existence of a material uncertainty relating to the Company's ability to realise its assets and extinguish its liabilities in the normal course of business. The ability of the Company to continue to operate as a going concern is dependent on the securing of additional funding by raising capital and managing cash flow in line with available funds.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents decreased from $0.81 million as at 30 June 2020 to $0.54 million as at 31 December 2020. The decrease of approximately $0.27 million was primarily the result of payments to suppliers and employees of $0.15 million and payments for exploration, evaluation and development of $0.12 million.

- Exploration, evaluation and development expenditure decreased from $12.10 million as at 30 June 2019 to $5.70 million as at 30 June 2020. The decrease of approximately $6.40 million was the result of an impairment of the Company's tenements of $6.63 million, slightly offset by expenditure incurred during the period of $0.21 million. Subsequently, the Company reversed the impairment of $6.63 million for the half-year ended 31 December 2020. Please refer to Section 5.5 for further detail.
- Borrowings of $2.16 million as at 31 December 2020 comprises borrowings from Noble of approximately $1.90 million, and the associated accrued interest. The borrowings from Noble comprise two unsecured loan facilities of $1.36 million and $0.50 million executed in January 2019 and January 2020 respectively. The loan facilities carry an interest rate of 9.8% per annum and are to be repaid under a fixed three-year term after the date of the respective agreements.

5.5 Historical Statements of Profit or Loss and Other Comprehensive Income

Historical Statements of Profit or Loss and Other Comprehensive Income	Reviewed as at 31-Dec-20 $	Audited as at 30-Jun-20 $	Audited as at 30-Jun-19 $	Audited as at 30-Jun-18 $
Revenue				
Revenue from continuing operations	132	627	1,294	956
Other revenue	-	-	145,454	-
Total revenue	**132**	**627**	**146,748**	**956**
Expenses				
Audit fees	(5,153)	(18,000)	(17,000)	(21,000)
Depreciations	-	-	-	(671)
Insurance	(17,917)	(46,098)	(34,254)	(14,042)
Directors & employee benefits	(107,709)	(215,418)	(199,902)	(286,245)
Impairment of assets	(130,214)	(6,627,545)	(1,702,805)	(11,149,826)
Reversal of impairment of assets	6,627,545	-	-	-
Professional fees	-	-	-	(2,500)
Other expenses	(25,412)	(79,647)	(43,805)	(87,895)
Interest expense	(91,392)	(156,402)	(54,571)	(900,455)
Total expenses	**6,249,748**	**(7,143,110)**	**(2,052,337)**	**(12,462,634)**
Loss from continuing operations before income tax	**6,249,880**	**(7,142,483)**	**(1,905,589)**	**(12,461,678)**
Income tax (expense)/benefit	-	-	-	-
Loss from continuing operations after income tax	**6,249,880**	**(7,142,483)**	**(1,905,589)**	**(12,461,678)**
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	**6,249,880**	**(7,142,483)**	**(1,905,589)**	**(12,461,678)**

Source: EER's audited financial statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020, and reviewed financial statements for the half-year ended 31 December 2020.

As noted above, the Company's auditor highlighted the ability of EER to continue as a going concern as a key audit matter, in its reports for the years ended 30 June 2018, 30 June 2019 and 30 June 2020, and half year ended 31 December 2020.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Other revenue of $0.15 million for the year ended 30 June 2019 comprises approximately $0.14 million in revenue received as a US$0.10 million ex-gratia payment from the Company's major shareholder, Noble, to assist the Company with any anticipated expenditure for investigation and assessment of any potential strategic opportunities including potential opportunities to develop the Blackall Project.
- The exploration assets of the Company were independently valued as a requirement for its annual general meeting in May 2018. The exploration assets were valued at a range of $9.60 million to $19.50 million, with a preferred value of $13.50 million. In each financial year, the Board has performed an internal assessment of this valuation, resulting in a revised valuation of $12.10 million for the year ended 30 June 2019, and $5.70 million for the year ended 30 June 2020. The valuation and subsequent revised valuations have resulted in the Company recognising an $11.15 million impairment for the year ended 30 June 2018, a $1.70 million impairment for the year ended 30 June 2019, and a $6.63 million impairment for the year ended 30 June 2020.
- In March 2021, the Company arranged an internal valuation of its exploration assets by an external third-party consultant for the period ending 31 December 2020. The exploration assets were valued at a range of $10.30 million to $13.70 million, with a preferred value of $12.00 million. The Company has therefore reversed the impairment of $6.63 million incurred for the year ended 30 June 2020, for the half-year ended 31 December 2020.
- Interest expense of $0.90 million for the year ended 30 June 2018 was incurred primarily in relation to capitalised interest during the year arising from loans with Noble.

5.6 Capital Structure

The share structure of EER as at 25 March 2021 is outlined below:

	Number
Total ordinary shares on issue	3,200,987,035
Top 20 shareholders	3,173,676,702
Top 20 shareholders - % of shares on issue	99.15%

Source: EER share registry information

The range of shares held in EER as at 25 March 2021 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	35	6,630	0.00%
1,001 - 5,000	121	349,492	0.01%
5,001 - 10,000	100	850,030	0.03%
10,001 - 100,000	293	12,024,969	0.38%
100,001 - and over	94	3,187,755,914	99.59%
TOTAL	**643**	**3,200,987,035**	**100.00%**

Source: EER share registry information

The ordinary shares held by the most significant shareholders as at 25 March 2021 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Maylion Pty Ltd	2,990,419,558	93.42%
Majicyl Pty Ltd <Basso Investment A/C>	163,526,982	5.11%
Altius Investment Holdings	2,897,892	0.09%
Benison Holdings Pty Ltd	2,225,994	0.07%
Subtotal	3,159,070,426	98.69%
Others	41,916,609	1.31%
Total ordinary shares on Issue	**3,200,987,035**	**100.00%**

Source: EER share registry information

The Company does not currently have any derivative securities on issue.

6. Profile of Axis

6.1 History

Axis is an Australian-based private company focused on the production of magnetite, heavy mineral sands concentrates, limestone and base metal concentrates. Axis is the 100% owner of Mt Moss, which in turn has a 100% interest in the Mt Moss Project, located approximately 150km north-west of Townsville. The Company's head office is located in Brisbane, Queensland.

The current directors of Axis are:

- James Newbury – Managing Director;
- Grant Ferguson – Technical Director;
- Stephen Ross – Director; and
- Bryan Duncan – Director.

Axis' wholly-owned subsidiary, Mt Moss, is the holder of a range of approved Mining Leases and freehold land parcels, collectively known as the Mt Moss Project. The Mt Moss Project was previously an open cut iron ore mining project, which operated intermittently from 1996 through to 2014 under various different ownership. In December 2014, the Mt Moss Project was placed into care and maintenance, due to the declining conditions in the iron ore market. Axis subsequently acquired the project in April 2020.

Prior to entering into care and maintenance, Mt Moss was focussed on the production of the following products:

- Magnetite Powder – used in the coal washing industry and as concentrate for the production of pellets used in the steel making industry;
- Magnetite Lump – suitable for use in the production of steel; and
- Magnetite Fines – used as an input in the steel and pipe weight coating industries.

The Mt Moss Project comprises an area of approximately 685 hectares, over 11 tenements as outlined below:

Tenement Name	Tenement Number	Grant Date	Expiry Date	Area (ha)
Mt Moss Consolidated	ML10171	4-Jul-1996	31-Jul-2032	377.19
Williams Creek Dam	ML10359	1-Dec-2011	31-Dec-2028	220.75
Shrimp West	ML4487	24-Apr-1974	30-Apr-2027	1.53
Shrimp	ML4488	24-Apr-1974	30-Apr-2027	4.05
Dolcoath	ML4489	24-Apr-1974	30-Apr-2028	13.68
Sardine Central	ML4496	24-Apr-1974	30-Apr-2028	4.55
Shrimp Extended	ML4497	24-Apr-1974	30-Apr-2028	24.28
Sardine Creek	ML4498	24-Apr-1974	30-Apr-2028	9.79
Sardine North Extended	ML4499	24-Apr-1974	30-Apr-2028	12.95
Sardine South	ML4506	26-Jun-1980	30-Apr-2028	4.05
Sardine	ML4507	26-Jun-1980	30-Apr-2028	12.18
TOTAL				**685.00**

Mt Moss currently holds a JORC compliant Mineral Resource of 15.3Mt at 43.13% Fe.

In addition, Mt Moss also holds non-JORC Compliant resources of approximately 20Mt of base metal ore and an exploration target range between 25Mt and 30Mt of limestone.

7. Economic analysis

Overview

The Australian economy is expected to have contracted by 2% over 2020, a smaller decline than was initially anticipated in the wake of the global pandemic.

COVID-19 has led to the largest contraction in global economic activity since the 1930s. Labour markets have been severely disrupted, and inflation has declined. The easing of containment measures in some nations led to a new surge in infections, postponing a fuller and faster economic recovery. The global economic downturn has been concentrated in the services (mainly travel and hospitality) sector, with the manufacturing sector staging a recovery, initially in China, but then in other industrial nations.

The pandemic has had a significant impact on the Australian economy and financial system, along with creating considerable volatility in financial markets. Equity prices experienced sharp declines and the yield on government bonds reached historic lows in March 2020 and have continued to decline through to December 2020. Measures taken by the Australian government and the RBA have improved stability in equity and bond markets over recent months.

Globally, financial market conditions have rebounded from the period of dislocation in March 2020, and over the past few months financial conditions have improved and remained accommodative due to the successful development of COVID-19 vaccines, historically low interest rates and asset prices, including housing prices, mostly increasing. The expectation that significant fiscal and monetary stimulus will be provided for an extended period, is supporting sentiment in financial markets.

According to the Australian Bureau of Statistics (**'ABS'**) Australia's mining and resources industry contributed 10.4% ($202 billion GDP) to the Australian economy in the 2020 financial year, making it the largest economic contributor. The industry experienced growth of 4.9% over this period, largely attributable to strong demand for iron ore due to international supply issues and increased demand from China.

Government and RBA Policies

The Australian Government introduced a range of stimulus measures in response to the economic impact of COVID-19, totalling $507 billion since the beginning of the pandemic.

Support from public policy has cushioned the effects of the health-related activity restrictions on incomes and will shape the recovery of the economy. In aggregate, household disposable income has increased throughout the pandemic, despite the large contraction in economic activity and even as many people lost their jobs or worked fewer hours. The largest contributor to this support has been the $101 billion JobKeeper program, which is estimated to have supported more than 25% of all workers nationwide. The program has been extended to March 2021, and is targeted at businesses and not-for-profits which continue to be significantly impacted by COVID-19.

In mid-March 2020, the Reserve Bank of Australia (**'RBA'**) introduced a comprehensive package of policy measures to support the Australian economy. The RBA announced it would lower the cash rate and reduce

the target on the 3-year government bond yield to 0.25%. Subsequently, in November 2020, the RBA further reduced the cash rate and the target on the 3-year government bond yield to 0.10% and announced a program to purchase $100 billion of government bonds over the next six months. At its February 2021 meeting, the RBA decided to purchase an additional $100 billion of government bonds when the current bond purchase program is completed in mid-April. Since the start of 2020, the RBA's balance sheet has increased by approximately $160 billion.

Given the outlook for both employment and inflation, the RBA will not increase the cash rate until inflation is sustainably within the 2% to 3% target range, which the RBA does not expect to be met until 2024 at the earliest.

In addition, the RBA has introduced a three-year Term Funding Facility (**'TFF'**) which was provided for authorised deposit-taking institutions (**'ADIs'**), such as commercial banks, unlocking access to additional funding, equivalent to approximately 3% of their outstanding credit, at a fixed rate of 0.10% per annum until 30 June 2021.

The 2020-21 Federal Budget provided an additional $98 billion of response and recovery support in the form of a $74 billion new JobMaker Plan and $25 billion in additional temporary and targeted supported under the COVID-19 Response Package.

Economic Indicators

According to the RBA's baseline scenario, the Australian economy is expected to have contracted by approximately 4% over 2020, returning to its end-2019 level by June 2021, before growing by approximately 3.5% over both 2021 and 2022. The expected recovery will be supported by considerable fiscal and monetary policy easing, as well as accommodative financial conditions.

Following a quarterly decline in the Consumer Price Index (**'CPI'**) inflation of 1.9% in the June 2020 quarter which resulted in annual deflation of 0.3%, CPI inflation has since rebounded in two consecutive quarters (1.6% in September 2020 quarter and 0.9% in December 2020 quarter), resulting in annual inflation of 0.9%. The increase since June 2020 was largely accounted for by the reintroduction of child care fees following the end of free child care on 13 July 2020, which alone contributed 0.9% to inflation in the September 2020 quarter. The rebound was also supported by the rise in automotive fuel prices, as global demand began to recover and the annual excise tax increase of 12.5% on tobacco. According to the RBA's baseline scenario, inflation is expected to gradually increase to 1.25% over 2021 and 1.5% by the end of 2022.

The COVID-19 outbreak has severely affected the labour market. The measured unemployment rate increased by more than 2% over the course of a few months, reaching 7.4% in the month of June, the highest rate in more than two decades. Since June, the unemployment rate has declined to 6.6% as of February 2020, but remains higher than the pre-pandemic levels of 5.2% in March 2020. The Australian Government's JobKeeper program introduced in March is currently subsidising 3.5 million jobs, in the absence of this program, employment would have declined much further. The RBA expects the unemployment rate to be around 6% at the end of 2021, declining gradually to 5.5% by the end of 2022, reaching around 5.25% by mid-2023.

The Australian dollar depreciated significantly during the height of the market turmoil in March 2020. However, as at February 2021, the Australian dollar has appreciated to above its level prior to the onset of COVID-19. This appreciation was in line with the currencies of a range of other developed economies against the backdrop of a depreciation of the United States dollar over recent months as well as

commodity prices rising. However, given declining interest rates in Australia relative to those of other major advanced economies, the Australian dollar is lower than otherwise.

Outlook

Despite the recent improvement of financial conditions, uncertainty still remains for the near term outlook of the Australian economy with the outcome dependent both on the health situation and ongoing fiscal and monetary policy support. Further outbreaks of the virus and associated restrictions on activity are the key risks to the outlook.

While uncertainty exists, the RBA is predicting Gross Domestic Product (**'GDP'**) growth of around 3.5% over each of 2021 and 2022 as the recovery progresses.

Source: www.rba.gov.au *Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 2 February 2021, 1 December 2020, 3 November 2020, 1 September 2020, 7 July 2020, 2 June 2020, 5 May 2020, 7 April 2020 and 19 March 2020*, www.abs.gov.au *Consumer Price Index December 2020, September 2020 and June 2020*, www.rba.gov.au *Statement on Monetary Policy dated 2 February 2021*, Australian Government *2020-21 Budget Overview*.

8. Industry analysis

EER operates primarily in the coal industry through its flagship Blackall Project. As such, we have presented an industry analysis on the coal and coal mining industry.

8.1 Coal

Coal is a combustible sedimentary rock found below the earth's surface and comprises mostly carbon (50-98%), hydrogen (3-13%), oxygen and small amounts of other elements including nitrogen and sulphur. When burnt, coal releases energy as heat which can be utilised in a variety of processes, including energy generation. The quality of a coal deposit is determined by the temperature and pressure at which the deposit is formed in addition to the length of time in formation, commonly known as its 'organic maturity'. There are two methods generally used to mine coal, being opencast mining and underground mining, with the choice of extraction method largely determined by the geology of the coal deposit.

The rank of coal refers to the physical and chemical properties that coals of different maturities possess. Lower rank brown coals such as Lignite generally possess a much lower organic maturity, have a soft texture, a dull earthly appearance and are characterized by high moisture levels and low energy (carbon) content. Higher ranked black coals such as Anthracite, which is the highest quality and scarcest type of coal, are harder, stronger, contain less moisture, and produce more energy. Black coal can be categorised into two main types, metallurgical (coking) coal and thermal (steaming) coal.

Due to its high carbon content and coking ability, metallurgical coal is used in the production of both iron and steel and to a lesser extent, for the smelting and casting of base metals. Of the different types of metallurgical coal, hard coal is the most valuable as it has the lowest ash and moisture content and produces the highest quality coke and most energy. Semi soft coking coal and pulverised coal injection are used more in blending with hard coking coal to be used as an auxiliary fuel source to increase the effectiveness of blast furnaces.

Thermal coal generally contains less carbon than metallurgical coal and consequently cannot be used in the production of steel. Its primary use is therefore as an energy source for coal-fired power plants where it is pulverised and burnt to heat steam generating boilers. Globally, the major producers of thermal coal are China, United States of America and India, with the largest importers being China, India, Japan and South Korea.

According to S&P Global, global consumption of coal fell by an estimated 7%, or 500Mt between 2018 and 2020. Demand for coal is expected to recover in the short term on the back of a global economic recovery from the COVID-19 crisis, leading to a rise in electricity demand and industrial output with consumption forecast to rise by approximately 2.6% in 2021.

Through 2025, global consumption of coal is projected to stagnate at around 7.4 billion tonnes, as estimated by the International Energy Agency, driven by an increase in gas prices and a fall in the demand for coal across the United States of America and Europe. This is expected to be partially offset by momentum generated from industrialising economies such as China and India, who together account for approximately 65% of global demand for coal.

Global coal production is estimated to have grown by only 0.4% in 2019, weighed down by slower growth in China and India and marginal growth across Australia, Turkey and South Africa. As a result of the COVID-19 crisis, global production is expected to have fallen by 6.5% in 2020 before rebounding in 2021 in line with a global economic recovery.

Global Thermal Coal Industry

For over five decades, thermal coal has been the dominant fuel source used in power generation, representing almost 40% of the global market. Owing to its low cost and availability, coal's role as a major fuel source for power generation is expected to persist into the future, although its share is expected to decline due to the rise of renewables. BP's 2020 Energy Outlook predicts a declining trend in the use of coal as a fuel for power generation, although it would still have an almost 30% share by 2040, second only to renewables.

China is the world's leading thermal coal producer, accounting for approximately half of global thermal coal production. According to the Department of Industry, Innovation and Science, thermal coal production in China increased to approximately 3,500Mt in 2019, equal to approximately half of global output. China's output from mines in the nine months to September 2020 rose by over 2% compared to the equivalent period in 2019, however, total thermal coal exports from China are expected to have declined by 14% in 2020 as a result of import restrictions and complications surrounding the COVID-19 crisis.

Thermal coal production in Australia declined by approximately 1.5% through 2020 compared to the previous year, largely as a result of the declining profitability of Australian thermal coal operations. Chinese government intervention to limit Australian exports placed downward pressure on Australian thermal coal prices, which resulted in a large proportion of Australian thermal coal production in the December 2020 quarter being loss making. As a result, Australian thermal coal earnings are forecast to decline by approximately 28% in 2020, and exports expected to decline by approximately 9%.

Global trade volume of thermal coal is estimated to have declined in 2020 for just the second time since 2000. The decline in demand was largely driven by India and Europe, with Europe planning its shift away from coal in its generation of energy. Demand from Asia has also declined as a result of the impact of COVID-19 on economic activity and power demand. Looking forward, global thermal coal demand is expected to slightly improve as the global economy recovers from the COVID-19 crisis, however, the shift towards renewables in power generation in some countries is expected to keep global trade levels supressed in the near term.

Countries across the world have exhibited pronounced trends as coal's share of electricity generation has declined across more advanced economies. Government policies have encouraged a transition away from coal as a source of electricity towards natural gas, wind and solar in an effort to limit CO_2 emissions. A

number of countries are also increasingly investing in alternative energy sources as well as advanced technology coal-fired power plants and alternative energy sources in a bid to improve energy efficiency and reduce the environmental impact of energy production.

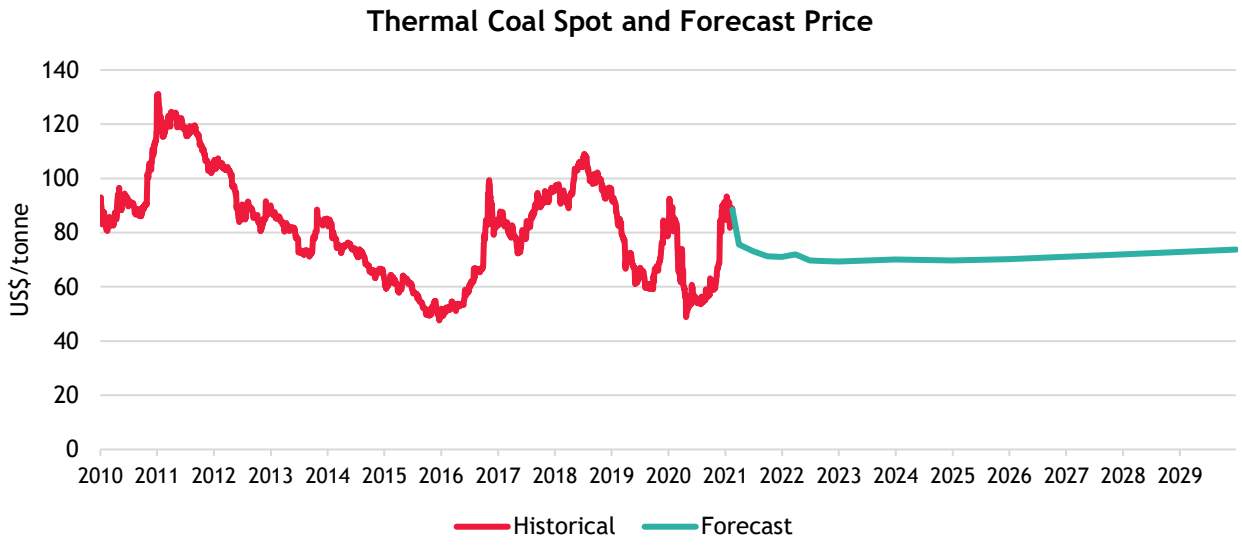
Over the next 20 years, the outlook supports an increase in global energy demand to be met by renewable energy sources and account for a larger share of electricity. Renewable energy is the fastest growing source of energy, with its share in primary energy forecast to increase from 4% in 2019 to 15% in 2040. The uptake of renewables will be supported by changes in technologies and an increase in government policies targeting the reduction of the carbon intensity of electricity generation. In turn, this trend will likely weigh on coal export volumes and prices, and coal plants will become less viable and tend to be shut down earlier.

Source: BP 2019 Energy Outlook, the International Energy Agency Coal Information Overview 2020, Department of Industry Innovation and Science Resources and Energy Quarterly December 2020, World Commodity Forecasts Industrial Raw Materials January 2020, S&P Global.

Coal Prices

The Richards Bay (**'RB'**) spot price is the benchmark price reference for thermal coal exported from the RB Coal Terminal in South Africa. The standard specification for RB1 thermal coal is 6,000kcal/kg net calorific value at total moisture (as received basis) of 12% maximum, 1% sulphur maximum and 15% ash maximum.

The Richards bay coal spot price and consensus forecasts through 2029 are depicted in the graph below.



Source: Bloomberg and Consensus Economics

Thermal coal prices increased sharply from mid-July 2017 through February 2018, driven by strong import demand from Asia and industrial action against Pacific National, a coal hauler based in New South Wales, Australia. Despite falling in March 2018, thermal coal prices recovered throughout April and June 2018 buoyed by strong seasonal demand from Asia and constrained supply.

Weak global demand for imports in many traditional markets placed downward pressure on the thermal coal price throughout much of 2019, although steadied toward September 2019 aided by supply cuts from the US, Colombia and Indonesia. Stockpiles at the RB Coal Terminal increased by approximately 650,000

tonnes during the first week of September 2019 to more than 4.6 million tonnes, on the back of reduced vessel loadings.

The RB spot price began to surge unexpectedly in October 2019, substantially deviating from coal prices around the world that had marginally decreased on the back of reduced import demand from China, India and Europe. The RB spot price defied market fundamentals as it strengthened without increased demand or supply shock for exports.

The RB spot price suffered in early 2020 at the hands of the COVID-19 pandemic, dropping to a low of US$48.90/tonne, which represented approximately a 47% decline in price since reaching a January high of US$92.50/tonne. Decreased demand from India as a result of disruptions from the COVID-19 pandemic is reported to be a large driver of this price decline.

From May 2020 through to late November 2020, the RB spot price remained stable, moving between US$50/tonne to US$60/tonne, before spiking in late November 2020. The spike in price is reported to be the result of political unrest between China and Australia, and China subsequently demanding coal from alternative sources, such as South Africa. The increased demand for South African coal drove the RB spot price up to average just below US$90/tonne for December 2020 and January 2021. Consensus Economics forecasts the RB spot to decline back to a modest price of between US$60/tonne and US$80/tonne in the short to medium term, however, there remains the possibility that Chinese demand continues to drive up the RB spot to exceed the US$100/tonne mark.

Developments in China's import policies and domestic coal markets are likely to drive volatility in thermal coal imports and prices in the near term, though production cuts stemming from Australia, Indonesia, America and Columbia will act to tighten the market. A recovery in economic growth as the global economy fights the COVID-19 pandemic is projected to have a positive impact on thermal coal markets in the near term, however South Africa's major coal export destinations are projected to transition away from coal to renewable sources, which will drastically impact coal prices in the long term.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company.

The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('**FME**');
- Discounted cash flow ('**DCF**');
- Quoted market price basis ('**QMP**'); and
- Net asset value ('**NAV**').

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('**Sum-of-Parts**') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methodologies as described above. The

component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual asset and liability of the company.

9.1. Value of EER

In order to assess whether a premium for control is being received by Noble for the sale of its shares in EER to Axis, we have assessed the value of EER prior to the announcement of the Transaction and have compared this to the consideration received by Noble.

Should the consideration to be received by Noble exceed our assessed value of EER, then Axis will be deemed to be paying a premium for control for Noble's shares in EER. As such, Shareholders will be missing out on the opportunity to be paid a premium for control if a formal takeover offer had been made for all of the shares in EER. This would be considered a disadvantage to Shareholders should the Transaction proceed.

Conversely, should our assessed value of EER exceed the consideration to be received by Noble, then Axis will be deemed to be not paying a premium for control. As such, Shareholders are not missing out on the opportunity to participate and receive a premium for control for their shares. This would be considered an advantage to Shareholders should the Transaction proceed.

In our assessment of the value of EER, we have chosen to employ the following methodology:

- Sum-of-Parts, which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value.

We have employed the Sum-of-Parts methodology in estimating the fair market value of EER by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of EER's mineral assets, relying on an independent technical specialist report, which has applied the comparable transactions approach and geo factor rating methods; and
- Value of EER's other assets and liabilities, applying the cost approach under the NAV method.

We have chosen this methodology for the following reasons:

- We have valued EER using the Sum-of-Parts methodology, valuing each component on a NAV basis. We consider it appropriate to value EER using this approach because it is an exploration company and its core value lies in the mineral assets it holds. As EER's mineral assets are currently non-producing, and there is no revenue or cash flows currently generated by the Project, we have commissioned an independent technical specialist, Agricola Mining Consultants Pty Ltd (**'Agricola'**), to value EER's mineral assets. Therefore, we consider the Sum-of-Parts approach to be an appropriate methodology to use in assessing the value of an EER share prior to the Transaction;
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. EER's mineral assets do not currently generate any income, nor are there any historical profits that could be used to represent future earnings. Furthermore, the FME methodology is not considered appropriate for valuing finite life assets such as mining assets, therefore, we do not consider the application of the FME approach to be appropriate;

- EER has no foreseeable future net cash inflows on which we would have sufficient reasonable grounds to rely on, in accordance with Regulatory Guide 170 'Prospective Financial Information' (**'RG 170'**) and Information Sheet 214: Mining and Resources: Forward-looking Statements (**'IS 214'**), therefore we do not consider the application of the DCF approach to be appropriate; and
- We have not adopted QMP as a secondary valuation approach. The QMP basis is a relevant methodology to consider because EER's shares are listed on the ASX, therefore reflecting the value that a Shareholder would receive for a share sold on the market. This means there is a regulated and observable market where EER's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the Company's activities. We do not consider this to be the case for the following reasons:
    - On 16 September 2020, EER's shares were suspended from official quotation on the Australian Securities Exchange (**'ASX'**), and the Company was required to respond to an ASX price query due to the share price increasing from a low of $0.004, to a high of $0.036; and
    - In the year prior to the Company's shares being suspended, only 0.40% of the Company's current issued capital was traded, which is considered to be highly illiquid.

  As a result of the above, the last quoted price for an EER share may not accurately reflect the market value of EER prior to the Transaction. Therefore, we do not consider the application of the QMP approach to be appropriate in this case.

Technical Expert

In performing our valuation of EER's mineral assets, we have relied on the Technical Specialist Report (**'Technical Specialist Report'**) prepared by Agricola, which includes an assessment of the market value of EER's mineral assets.

We instructed Agricola to provide an independent market valuation of EER's mineral assets. Agricola considered a number of different valuation methods when valuing these assets. Agricola's Technical Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) (**'VALMIN Code'**) and the JORC Code.

We are satisfied with the valuation methodologies adopted by Agricola, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by Agricola are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report contained in Appendix 4.

10. Valuation of EER

10.1 Sum-of-Parts

In order to assess whether a premium for control is being received by Noble for the sale of its shares in EER to Axis, we have assessed the value of EER prior to the announcement of the Transaction and have compared this to the consideration to be received by Noble.

We have employed the Sum-of-Parts methodology in estimating the fair market value of EER on a control basis prior to the Transaction, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration of the following:

- Value of EER's mineral assets; and
- Value of EER's other assets and liabilities.

The Sum-of-Parts value represents a controlling interest, therefore in order to assess the quantum of the control premium to be paid by Axis, we consider it appropriate to assess the value of EER on a minority interest basis when comparing the value of EER to the consideration to be received by Noble.

Our Sum-of-Parts valuation is set out in the table below:

Valuation of EER prior to the Transaction	Ref	Low $	Preferred $	High $
Value of EER's mineral assets	10.1.1	10,300,000	12,000,000	13,700,000
Value of EER's other assets and liabilities	10.1.2	(1,591,400)	(1,591,400)	(1,591,400)
Total value of EER prior to the Transaction (control)		**8,708,600**	**10,408,600**	**12,108,600**
Minority discount	10.1.4	26%	23%	20%
Total value of EER prior to the Transaction (minority)		**6,444,364**	**8,014,622**	**9,686,880**

Source: BDO analysis

We have assessed the value of EER prior to the Transaction (on a minority interest basis) to be in the range of $6.44 million and $9.69 million, with a preferred value of $8.01 million.

10.1.1. Valuation of EER's mineral assets

In performing our valuation of EER's mineral assets, we have relied on the Technical Specialist Report prepared by Agricola, which includes an assessment of the market value of EER's Blackall Project.

We instructed Agricola to provide an independent market valuation of the mineral assets held by EER. Agricola considered a number of different valuation methods when valuing the mineral assets held by EER. Agricola applied the comparable transactions approach and the geo factor rating of prospectivity in valuing the Blackall Project, comprising coal resource tenements and exploration tenements.

The range of values for EER's Blackall Project as determined by Agricola is set out below:

Blackall Project	Low $m	Preferred $m	High $m
Coal Resource Tenements	10.1	11.7	13.3
Exploration Tenements	0.2	0.3	0.4
Total (rounded)	**10.3**	**12.0**	**13.7**

Source: Technical Specialist Report prepared by Agricola

The table above indicates a range of values between $10.3 million and $13.7 million, with a preferred value of $12.0 million for the Blackall Project. For further information on Agricola's approach and conclusions, refer to the Technical Specialist Report, which is included as Appendix 4 of our Report.

10.1.2. Valuation of EER's other assets and liabilities

The other assets and liabilities of EER represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with EER and analysis of these other assets and liabilities, outlined in the table below, we do not believe that there is a material difference between the book value and the fair value unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Value of EER's other assets and liabilities	Note	Reviewed as at 31-Dec-20 $	Adjusted $
CURRENT ASSETS			
Cash and cash equivalents		542,802	542,802
Trade and other receivables		5,778	5,778
Other assets		27,154	27,154
TOTAL CURRENT ASSETS		**575,734**	**575,734**
NON-CURRENT ASSETS			
Tenement works bonds		29,500	29,500
Exploration, evaluation and development expenditure	a)	12,327,545	-
TOTAL NON-CURRENT ASSETS		**12,357,045**	**29,500**
TOTAL ASSETS		**12,932,779**	**605,234**
CURRENT LIABILITIES			
Trade and other payables		36,800	36,800
Provisions		2,469	2,469
TOTAL CURRENT LIABILITIES		**39,269**	**39,269**
NON-CURRENT LIABILITIES			
Borrowings		2,157,365	2,157,365
TOTAL NON-CURRENT LIABILITIES		**2,157,365**	**2,157,365**
TOTAL LIABILITIES		**2,159,834**	**2,196,634**
NET ASSETS		**10,197,211**	**(1,591,400)**

Source: EER's reviewed financial statements for the half-year 31 December 2020 and BDO analysis

We note the following in relation to the above valuation of EER's other assets and liabilities:

Note a) Exploration, evaluation and development expenditure

We have adjusted the book value of exploration, evaluation and development expenditure of $12,327,545 as at 31 December 2020 to nil, as it is accounted for in the valuation of EER's mineral assets, which has been valued separately in Section 10.1.1.

10.1.3. Number of Shares on issue

The Company currently has 3,200,987,035 shares on issue.

10.1.4. Minority interest discount

The Sum-of-Parts value represents a controlling interest, therefore in order to assess whether a premium of control is to be paid by Axis, and in turn, to determine whether Shareholders are missing out on a premium for control, we consider it appropriate to assess the value of EER on a minority interest basis. A control premium reflects the additional value that attaches to a controlling interest. A minority interest discount is the inverse of a premium for control.

In order to value EER on a minority interest basis, we have applied a minority interest discount based on the analysis set out in Appendix 3. Our analysis identified an appropriate discount for minority interest to be in the range from 20% to 26%, with a rounded midpoint of 23%.

10.2 Assessment of EER Value

The results of the valuations performed are summarised in the table below:

	Ref	Low $	Preferred $	High $
Sum-of-Parts (minority)	10.1	6,444,364	8,014,622	9,686,880

Source: BDO analysis

We note that we have not provided a secondary valuation approach in valuing EER. As described in Section 9.1 of our Report, we did not consider the other principal valuation methodologies to be appropriate in valuing EER.

Based on the results above we consider the value of EER (on a minority basis) to be between $6.44 million and $9.69 million with a preferred value of $8.01 million.

10.3 Assessment of the control premium

As outlined in Section 9.1, should our assessed value of EER exceed the consideration to be received by Noble, then Axis will be deemed to be not paying a premium for control. As such, we have outlined below a comparison between the total value of Noble's interest in EER and the total value of the consideration received by Noble.

Our Sum-of-Parts derived valuation of Noble's interest in EER is summarised in the table below:

	Ref	Low $	Preferred $	High $
Total value of EER prior to the Transaction (minority)	10.1	6,444,364	8,014,622	9,686,880
Noble's interest in EER	5.6	93.42%	93.42%	93.42%
Total value of Noble's interest in EER (minority)		**6,020,325**	**7,487,260**	**9,049,483**

Source: BDO Analysis

We have assessed the value of Noble's interest in EER (on a minority basis) to be in the range of $6.02 million and $9.05 million, with a preferred value of $7.49 million.

Under the terms of the Transaction, the consideration payable by Axis to Noble will comprise $0.50 million Cash Consideration and a royalty of $5 per dry tonne of iron ore sold or otherwise disposed from the Mt Moss Project, up to a maximum royalty of $2.0 million. Therefore, the maximum possible consideration to be received by Noble for its shares in EER will be $2.50 million.

We note that from analysis above, the total value of Noble's interest in EER exceeds the maximum possible value of the consideration to be received by Noble. As such, Axis is deemed to not be paying a premium for control, and Shareholders are not missing out on the opportunity to participate and receive a premium for control for their shares should the Transaction proceed.

11. Evaluation of the Transaction

11.1. Advantages of the Transaction

11.1.1. No control premium will be payable by Axis, meaning that Shareholders will not miss out on the opportunity to receive a premium for the control for their shares

In Section 10, we assessed the value of EER prior to the announcement of the Transaction and compared this to the consideration to be received by Noble in order to assess whether a premium for control is to be received by Noble for the sale of its shares in EER to Axis.

As outlined in Section 9.1, given that our assessed value of EER is greater than the consideration to be received by Noble, Axis is deemed to not be paying a premium for control. As such, Shareholders are not missing out on the opportunity to participate and receive a premium for control for their shares.

11.1.2. An alternative for Maylion, should the Transaction not proceed, could be to sell its shares on market, which may decrease the Company's share price

We have not been advised of Maylion's intention should the Transaction not proceed. However should Maylion intend to divest its interest in EER, it is possible that Maylion could sell its EER shares on market, if EER shares were to be reinstated on the official list of the ASX. This would likely to cause downward pressure on EER's share price, which would reduce the value of Shareholders' interests.

11.1.3. Noble will extinguish all existing indebtedness owed by Maylion and EER to Noble or its affiliates

As outlined in Section 4, the Transaction is conditional on Noble extinguishing all existing indebtedness owed by Maylion and EER to Noble or its affiliates. As such, should Shareholders approve the Transaction, Noble will extinguish a total of $2.16 million owing from EER, comprising the $1.36 million and $0.50 million unsecured loan facilities and all accrued interest. As a result, the Company will have a debt-free capital structure and will no longer accrue interest, removing the Company's leverage risk, and improving its financial position.

In addition, we note that the Company's auditor has highlighted the ability of EER to continue as a going concern as a key matter in its reports for the previous three financial years and half-year ended 31 December 2020 in relation to the Company's ability to realise its assets and extinguish its liabilities in the normal course of business. Should Shareholders approve the Transaction, it is possible that the Company's ability to continue as a going concern will not be a key audit matter in the future, assuming the Company remains debt-free.

11.1.4. Shareholders will experience no dilution to their individual holdings in the Company, or their collective interests in the Company

Given that the Transaction will result in a transfer of existing shares, rather than the issue of new shares in the Company, Shareholders' individual and collective interests prior to, and following the Transaction will remain unchanged and Shareholders will continue to hold a 6.58% interest in Company. We note that the only change in voting power arising from the Transaction will be Axis and James Newbury's interests increasing from 0% to 93.42% and a corresponding decrease in Noble's interests from 93.42% to 0%.

11.2. Disadvantages of the Transaction

11.2.1. Should the Transaction proceed, Noble will no longer be a shareholder in EER, potentially resulting in the Company losing the financial support of Noble

The Company has received ongoing financial support from Noble in the form of convertible notes, unsecured loan facilities and ex-gratia payments in order to fund working capital requirements. Should the Transaction proceed, Noble will no longer be a shareholder in EER, and as such, the Company may lose the financial support of Noble.

On 31 January 2019, the Company announced that it had executed a loan agreement for a $1.36 million unsecured loan facility with Noble. The loan facility carries an interest rate of 9.8% per annum, with the repayment of the facility to occur within three years of the date of the agreement. Subsequently on 10 January 2020, the Company executed another loan agreement for a further $0.50 million with Noble under the same terms as the existing loan facility.

In the future the Company may need to seek financial support from alternative sources, which could be less advantageous to the Company, and/or more dilutive to Shareholders, should the Company seek equity funding instead. It should be noted however that Axis has stated its intention to work with the board of the Company to assess avenues to raise additional working capital which may include raising capital from Axis or James Newbury, subject to receipt of any requires ASX or Shareholder approvals.

11.3. Alternative Proposals

We are not aware of any alternative proposals that might offer the Shareholders of EER a premium over the value resulting from the Transaction. In addition, we are not aware of any takeover offer being available as an alternative to the Transaction.

11.4. If the Transaction is approved, will it deter a takeover bid?

Given that the Transaction represents a transfer of existing shares, there are no control implications as Maylion is being replaced by Axis as the Company's controlling shareholder. As such, we consider it unlikely that should the Transaction be approved, it would have any impact on the likelihood of receiving a takeover bid from an alternate party.

11.5. Practical Level of Control

Prior to the Transaction, Maylion holds 93.4% of EER's issued capital. If the Transaction is approved, then this interest will be transferred to Axis, which will mean that Axis will replace Maylion as a controlling shareholder. Therefore, there will be no control implications for existing Shareholders as the Transaction represents a transfer of existing shares. As such, Shareholders' interests prior to, and following the Transaction, will remain unchanged.

11.6. Consequences of not approving the Transaction

11.6.1. Noble will not be required to extinguish all existing indebtedness owed by Maylion and EER to Noble or its affiliates

As outlined in Section 4, the Transaction is conditional on Noble extinguishing all existing indebtedness owed by Maylion and EER to Noble or its affiliates. As such, should Shareholders not approve the

Transaction, the $1.36 million and $0.50 million unsecured loan facilities, along with all accrued interest will remain in place and payable to Noble under the existing loan facility agreements.

11.6.2. Maylion will remain as EER's controlling shareholder

If the Transaction is not approved, then the Company's shareholding structure will remain unchanged as Maylion will continue to hold 93.42% of EER's issued capital.

12. Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the advantages of the Transaction to Shareholders outweigh the disadvantages. We consider the advantages to outweigh the disadvantages because there is no shift in value or dilution resulting from the transfer of existing shares between Noble and Axis.

In addition, there is no premium for control to be paid by Axis and as such, Shareholders are not missing out on the opportunity to participate and receive a premium for control for their shares. For further detail, please refer to Section 11 of our Report.

13. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Share Sale Agreement;
- Audited financial statements of EER for the years ended 30 June 2018, 30 June 2019 and 30 June 2020;
- Reviewed financial statements of EER for the half-year ended 31 December 2020;
- Independent Valuation Report of EER's mineral assets dated 26 March 2021 performed by Agricola;
- Share registry information of EER;
- RBA Monetary Policy Decisions dated 19 March 2020, 7 April 2020, 5 May 2020, 2 June 2020, 7 July 2020, 1 September 2020, 5 November 2020 and 2 February 2021;
- Australia Bureau of Statistics – Consumer Price Index for September 2020 and December 2020;
- Australian Federal Government – 2021-21 Budget Overview;
- Consensus Economics;
- Announcements made by EER available through the ASX;
- Mt Moss Information Memorandum dated 10 September 2020;
- Bloomberg;
- Information available on the public domain; and
- Discussions with Directors and Management of EER.

14. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of approximately $28,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by EER in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by EER, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to EER, Noble, Axis and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of EER, Noble, Axis and their respective associates.

A draft of this report was provided to EER and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

15. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 400 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has

considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

16. Disclaimers and consents

This report has been prepared at the request of EER for inclusion in the Notice of Meeting which will be sent to all EER Shareholders. EER engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposal for Axis to acquire 93.4% of the issued capital in EER, through the acquisition of Maylion.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Axis. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Notice of Meeting, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of EER, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by EER. The valuer engaged for the mineral asset valuation, Agricola, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

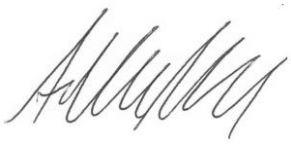
The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

Sherif Andrawes

Director



Adam Myers

Director

Appendix 1 – Glossary of Terms

Reference	Definition
ABS	Australian Bureau of Statistics
the Act	The Corporations Act 2001 Cth
ADI	Authorised Deposit-Taking Institutions
AFCA	Australian Financial Complaints Authority
Agricola	Agricola Mining Consultants Pty Ltd
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian Dollars
Axis	Axis Minerals Pty Ltd
BDO	BDO Corporate Finance (WA) Pty Ltd
Blackall Project	EER's Blackall Coal Project
the Company	East Energy Resources Limited
Corporations Act	The Corporations Act 2001 Cth
CPI	Consumer Price Index
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EER	East Energy Resources Limited
First Tranche	The $250,000 payable by Axis to Maylion at execution date, as consideration for the Transaction
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service

Reference	Definition
FSG	Financial Services Guide
GDP	Gross Domestic Product
Idalia	Idalia Coal Pty Ltd
IS 214	Forward Looking Statements
item 7 s611	item 7 Section 611 of the Corporations Act
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
km	Kilometres
km^2	Square kilometres
Maylion	Maylion Pty Ltd
MRE	Mineral Resource Estimate
Mt	Million tonnes
Mt Moss	Mt Moss Mining Pty Ltd
NAV	Net Asset Value
Our Report	This Independent Expert's Report prepared by BDO
QLD	Queensland
QMP	Quoted market price
RB	Richards Bay
RBA	Reserve Bank of Australia
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Prospective Financial Information (March 2011)
RG 74	Acquisitions approved by Members (December 2011)
RG 76	Related party transactions (December 2011)
Second Tranche	The second payment of $250,000 from Axis to Maylion on the date of the announcement by EER of the date on which a resolution of the Shareholders is to be considered at a general meeting of Shareholders

Reference	Definition
Section 606	Section 606 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of EER not associated with the Transaction
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Technical Specialist Report	The Technical Specialist Report prepared by Agricola, which includes an assessment of the market value of EER's mineral assets
TFF	Term Funding Facility
The Transaction	The agreemenet for Noble to sell all of its shares in Maylion (EER's majority shareholders) to Axis
The Project	EER's Blackall Coal Project
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.

Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax (‘**EBIT**’) or earnings before interest, tax, depreciation and amortisation (‘**EBITDA**’). The capitalisation rate or ‘earnings multiple’ is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows (‘DCF’)*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 – Minority Interest Discount

Minority discount

The Sum-of-Parts value represents a controlling interest, therefore in order to assess the quantum of the control premium paid by Axis, we consider it appropriate to assess the value of an EER share on a minority interest basis.

Set out below is our assessment of a reasonable control premium likely to be paid by an acquirer purchasing a controlling stake in EER.

Control premium

The concept of a premium for control reflects the additional value that is attached to a controlling interest. We have reviewed the control premiums on completed transactions, paid by acquirers of coal companies, general energy companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e less than a 0% premium) and at a premium in excess of 100%. We have summaries our findings below:

Coal companies

Year	Number of Transactions	Average Deal Value ($m)	Average Control Premium (%)
2021	0	0.00	0.00
2020	2	85.36	29.39
2019	2	8.89	14.30
2018	1	226.41	73.41
2017	1	147.78	97.80
2016	2	3.17	79.12
2015	5	34.55	30.39
2014	2	34.52	65.27
2013	7	32.37	33.29
2012	4	666.40	32.92
2011	7	1,338.45	47.89

Source: Bloomberg, BDO analysis

General energy companies

Year	Number of Transactions	Average Deal Value ($m)	Average Control Premium (%)
2021	0	0.00	0.00
2020	6	279.58	50.68
2019	3	10.36	19.61
2018	4	345.97	40.70
2017	3	53.33	99.28
2016	3	115.35	59.85
2015	9	68.70	23.37

Year	Number of Transactions	Average Deal Value ($m)	Average Control Premium (%)
2014	8	371.15	63.39
2013	10	43.52	32.61
2012	7	444.69	33.98
2011	11	924.53	43.10

Source: Bloomberg, BDO analysis

All ASX-listed companies

Year	Number of Transactions	Average Deal Value ($m)	Average Control Premium (%)
2021	0	0.00	0.00
2020	26	432.79	49.28
2019	45	3,026.62	38.82
2018	46	1,077.10	41.55
2017	29	973.72	43.33
2016	42	718.51	49.58
2015	34	828.14	34.10
2014	46	507.34	39.97
2013	41	128.21	50.99
2012	51	481.33	52.19
2011	68	891.85	44.43

Source: Bloomberg, BDO analysis

The mean and median of the entire data sets comprising control transactions from 2011 onwards for coal companies, general energy companies and all ASX-listed companies are set out below:

Entire Data Set Metrics	Coal Companies		General Energy Companies		All ASX-Listed Companies	
	Deal Value ($m)	Control Premium (%)	Deal Value ($m)	Control Premium (%)	Deal Value ($m)	Control Premium (%)
Mean	407.49	42.40	331.12	43.10	929.83	44.51
Median	60.80	33.89	55.46	34.67	120.36	34.16

Source: Bloomberg, BDO analysis

In arriving at an appropriate control premium to apply, we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

The table above indicates that the long-term average control premium paid by acquirers of coal companies, general energy companies and all ASX-listed companies is approximately 42.40%, 43.10% and 44.51% respectively. However, in assessing the transactions included in the table, we noted transactions that appear to be extreme outliers.

These outliers included two coal company transactions, four general energy company transactions and 30 ASX-listed company transactions, for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas, the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 33.89% for coal companies, 34.67% for general energy companies and 34.16% for all ASX-listed companies.

We consider an appropriate control premium to be on the lower end of historical averages as a result of the degree of business risk faced by small, early-stage exploration companies. As EER's current operations are on a small scale, are in the exploration phase and are therefore high risk assets, we believe that an acquirer would not be willing to pay a control premium in line with historical averages. Further, the audit report of EER for the year ended 30 June 2020 includes an emphasis of matter relating to the material uncertainty around the ability of the Company to continue as a going concern. Based on the above, we consider an appropriate premium for control to be between 25% and 35%.

A minority interest discount is the inverse of a premium for control and is calculated using the formula 1 – (1/(1+control premium)). Based on our assessed control premium range, this gives rise to a rounded minority discount in the range of 20% to 26%, with a rounded midpoint of 23%.

Appendix 4 – Independent Valuation Report

AGRICOLA MINING CONSULTANTS PTY LTD - ABN: 84 274 218 871
P.O. Box 473, South Perth, WA 6951 - Mobile: 61 (4) 1234 7511
Email: mcastle@castleconsulting.com.au
Principal Consultant – MALCOLM CASTLE

26 March 2021

The Directors

BDO Corporate Finance (WA) Pty Ltd

Dear Sirs,

Re: INDEPENDENT TECHNICAL ASSESSMENT and VALUATION REPORT on the THE BLACKALL COAL PROJECT held by EAST ENERGY RESOURCES LIMITED in Queensland Effective Date 26 March 2021

Agricola Mining Consultants Pty Ltd ("Agricola") has been commissioned by BDO Corporate Finance (WA) Pty Ltd ("BDO") to provide an Independent Technical Assessment and Valuation Report ("Report") on the Coal assets held by East Energy Resources Limited ("East Energy" or the "Company") at The Blackall Coal Project in Queensland (the "Project"). The Report is to be included in an Independent Expert's Report prepared by BDO.

Agricola has completed an assessment of the Project which included compilation and review of the project's technical aspects, including regional geological setting, local geology, mineralisation, previous work, and exploration potential. This Report serves to comment on the technical aspects of the Project and presents a range of market values for the coal assets based on the information in this Report and in the public domain. The effective date of the valuation is 26 March 2021.

This Report was prepared by Malcolm Castle for Agricola in accordance with the *Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports* (VALMIN Code 2015 Edition) and the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code 2012 Edition).

The Project is classified as a *Pre-Development Project* where estimates of Coal Resources have been compiled but a development decision has not yet been made. The property is considered prospective, although subject to varying degrees of risk, and warrant further exploration and development of its economic potential.

Agricola and Malcolm Castle are suitably independent from East Energy. Malcolm Castle owns 40,000 shares in East Energy that has 3.2 billion shares issued and the shares held by Malcolm Castle are not considered to be significant. Malcolm Castle was a former non-executive director of East Energy from December 2007 to 24 November 2011. A period of approximately ten years has elapsed since that directorship expired.

Agricola, its employees, and associates are not, nor intend to be, directors, officers, or employees of East Energy and have no material interest in any of the Projects or the Company. The relationship with East Energy is solely one of professional association between client and independent consultant. The review and valuation work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Consent is given for the inclusion of this Report in the form and context in which it appears.

Market Value Summary

The Company holds rights to 100% of the Blackall Coal Project. The market value has been arrived at by considering the technical value and an appropriate discount or premium. In this case, no premium or discount has been applied.

The estimate of the market value for the Blackall Coal Project held by the Company is in the range of:

$10.3 million to $13.7 million with a preferred value of $12.0 million.

This valuation is effective on 26 March 2021

This Mineral Asset valuation is rounded and endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain, and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation (*the Spencer Test*). It follows a *'bottom-up'* approach valuing only the mineral asset and does not consider corporate aspects such as control premiums, synergy, and goodwill. It applies to the direct sale of existing equity in the Project at the date of this Report in accordance with the VALMIN Code (2015).

Yours faithfully

Malcolm Castle
B.Sc.(Hons) MAusIMM, GCertAppFin (Sec Inst)
Agricola Mining Consultants Pty Ltd

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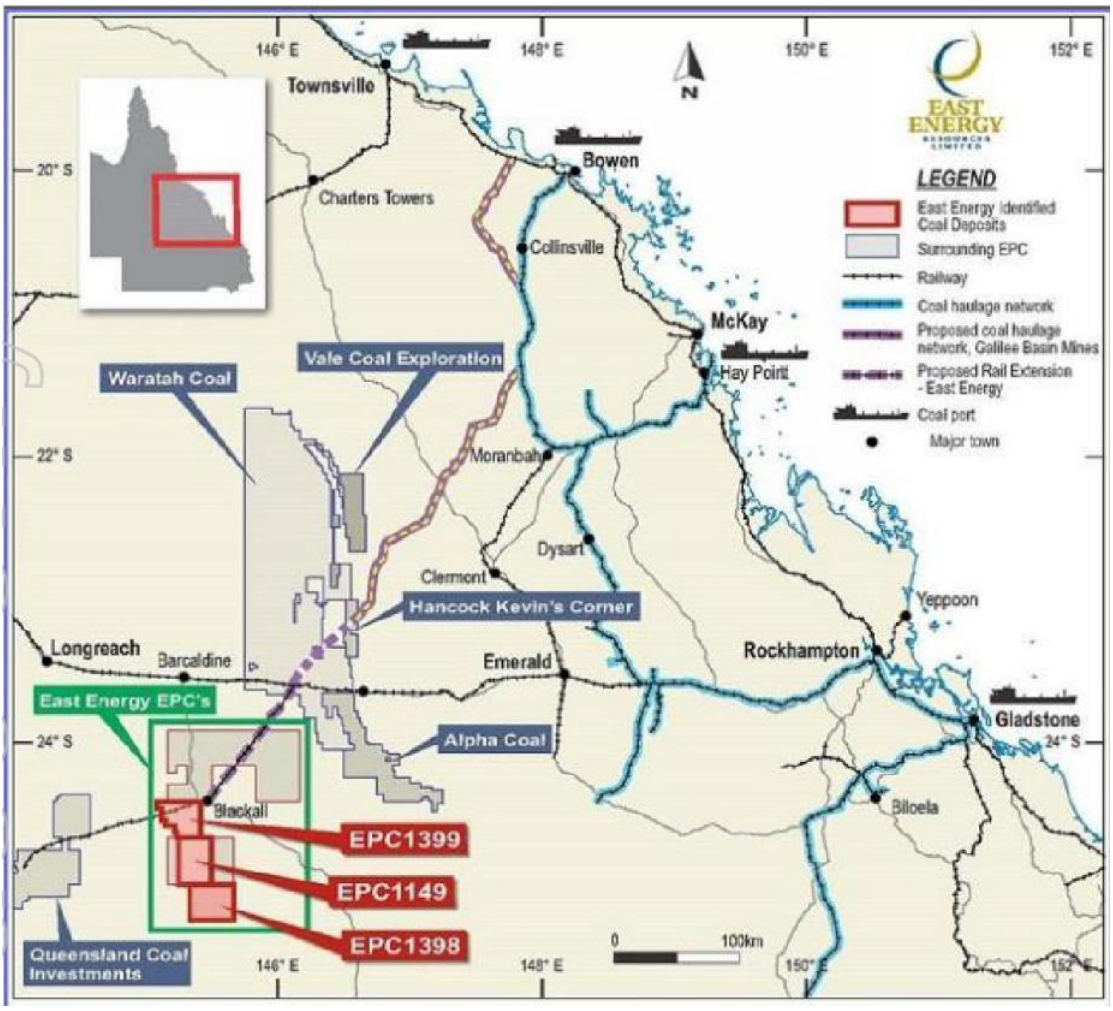
THE BLACKALL COAL PROJECT



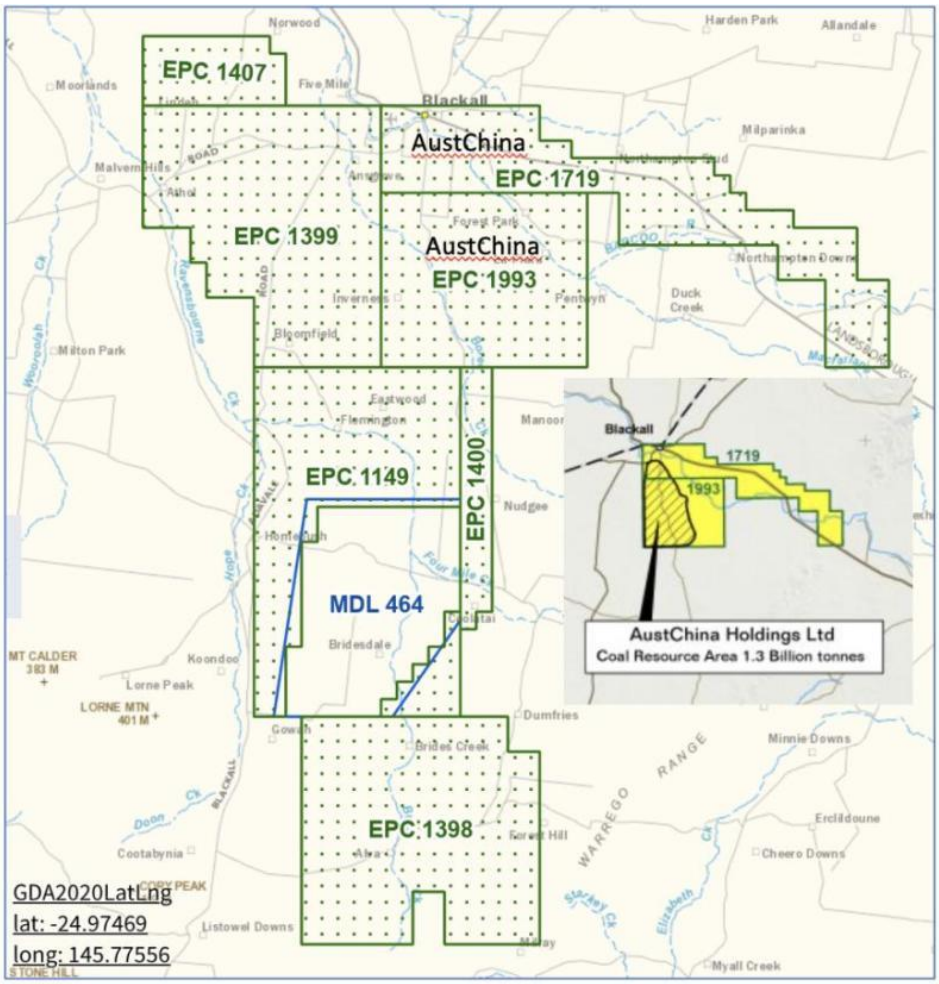
Blackall Project Location Map

Blackall Project Location and Tenure

East Energy Resources Ltd and Idalia Coal Pty Ltd hold Exploration Permits for Coal in the Eromanga Basin (a sub basin of the extensive Galilee Basin) in Central Queensland, near the township of Blackall and extending for 95 kilometres to the south. The acquisition of Idalia Coal in May 2013 increased the tenement package to 5 EPCs with a total area of 2,199 square kilometres.

A Mineral Development License (MDL 464) was granted for a period of 5 years with a commencement date of 20 July 2014 and a renewed expiry date of 13 July 2024. The MDL covers 37,675Ha over the central portion of the main coal resource where Indicated Coal Resource is located, and initial mining is most likely to occur should the project proceed.

AustChina Holdings Ltd holds two tenements adjacent to the East Energy ground that include a Coal Resource but do not form part of the Company's holdings.

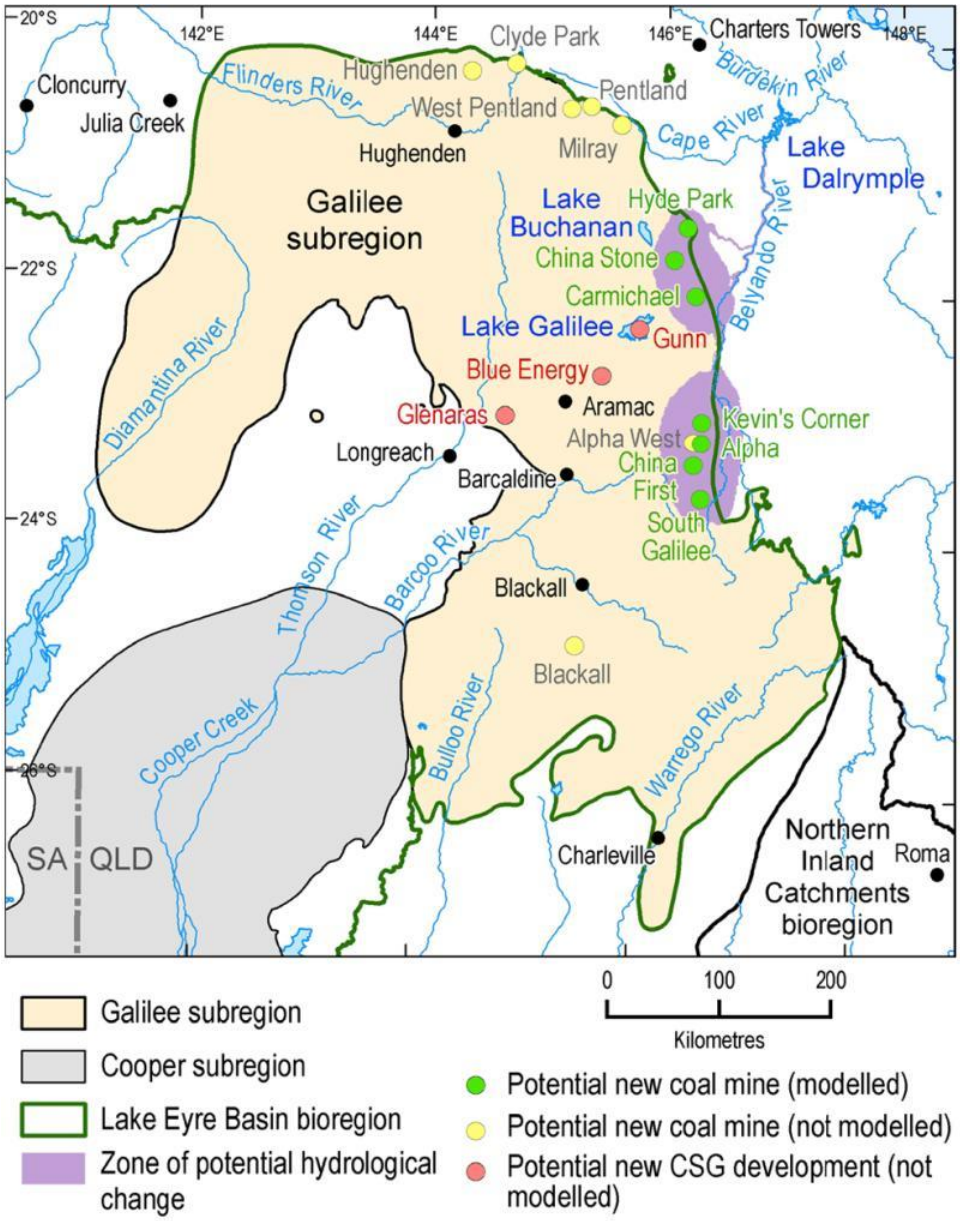


Location of Coal Exploration Permits EPC 1719, EPC 1993 are excluded (AustChina)

East Energy Limited		Blackall Coal Project			TENEMENT SCHEDULE	
Tenement	**Granted**	**Expiry**	**Status**	**subblocks**	**Area**	**Equity**
Coal Resource						
EPC 1149 (EER)	22-Apr-08	21-Apr-23	Live	154	478.94	100%
EPC 1398 (IDA)	29-Jun-11	28-Jun-22	Live	185	575.35	100%
EPC 1399 (IDA)	24-Aug-10	23-Oct-23	Live	183	569.13	100%
MDL 464 (EER)	20-Jul-14	31-Jul-24	Live	37675	376.75	100%
Total					2,000.17	
Exploration Tenements						
EPC 1400 (IDA)	24-Aug-10	23-Aug-23	Live	29	90.19	100%
EPC 1407 (IDA)	26-Aug-10	25-Aug-25	Live	35	108.85	100%
Total					199.04	
Holder:						
EER - East Energy Limited			*MDL 464 slightly overlaps EPC 1149*			
IDA - Idalia Coal Pty Ltd						
The status of tenure has been independently verified by Agricola (VALMIN 7.2)						

Current tenement areas have been verified from Qld government records. https://www.business.qld.gov.au.
MDL area is expressed in hectares.

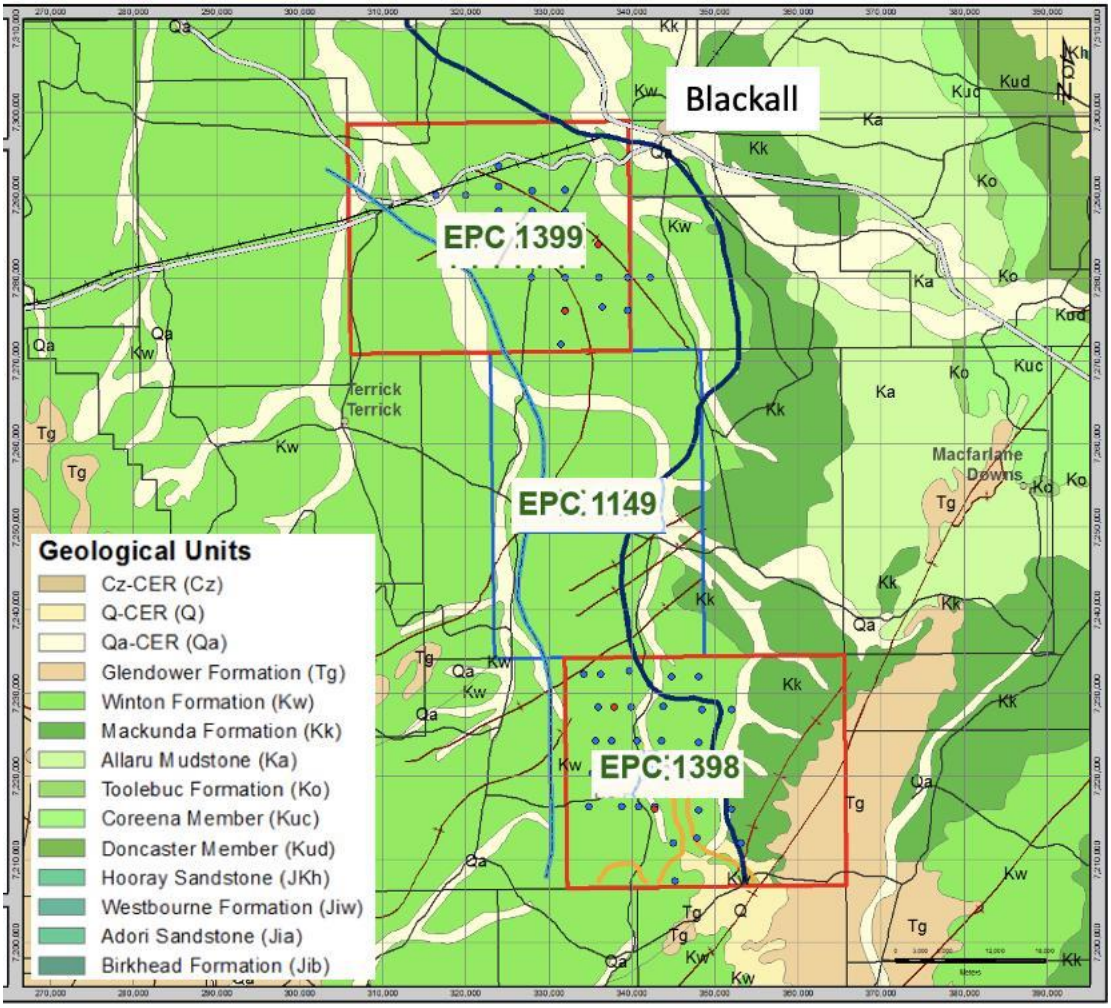
Blackall Coal Project Geology



Significant coal and coal seam gas developments in the Galilee subregion

East Energy Resources Limited (EER) is a coal exploration and development company focused on the Mesozoic coal resources of the Eromanga Basin, Queensland. The Galilee Basin is underlain by the Carboniferous Drummond Basin and overlain by the Cretaceous – Jurassic Eromanga Basin. Currently, EER's main focus is the Blackall Coal Project extending to 95km south of the town of Blackall. The Blackall Coal Project consists of three main coal resource areas within four coal exploration tenements (MDL 464, EPC 1149, EPC 1398, and EPC 1399). As released in September 2014, the total resource across the project area is estimated in accordance with the JORC Code (2004 and 2012) as 3.44 billion tonnes of thermal low-quality coal.

In November 2011, EER applied for MDL 464 to undertake more detailed resource characterisation studies for the Blackall deposit, and this was granted by the Queensland Government in July 2014 and renewed to July 2024. In contrast to other coal projects with holdings in the Galilee subregion, the coals of the Blackall Project are hosted within the Late Cretaceous strata of the Winton Formation in the Eromanga Basin. This unit is significantly younger than the Late Permian rocks which contain the more well-known and regionally extensive coal resources of the eastern and northern Galilee Basin, including the Carmichael Mine operated by Adani.



Blackall Project Regional Geology

The initial exploration program undertaken by EER identified six main intervals of sub-bituminous coal within EPC 1149 (designated as seams 1 to 6). Most of these seams have several upper and lower plies, with the thickest being seams 2, 3 Lower (3L), and 4 Upper. The coals have average specific energy of 3580 to 4060 kcal/kg, raw ash content of 19% to 27% and moisture levels ranging from 18 to 22% (air dried basis). The initial resource evaluation area has a strike-length of about 95 km and a mean width of 6 km, with current resources in EPC 1149 totalling 1.74 billion tonnes (resources estimated by a Competent Person as defined

by the JORC Code 2004). This comprises of 627.5 Mt of Indicated Resource, and 1113 Mt of Inferred Resource.

In May 2013 EER purchased Idalia Coal, which increased the size of their tenement holding within the Blackall region through acquisition of EPC 1398 and 1399 to the immediate south and north of EPC 1149, respectively. This acquisition initially added a further 440 Mt of Inferred Resource of similar quality coal to the EER portfolio, as well as a significant regional Exploration Target. Further investigative work commissioned by EER in 2013, including a 68-hole drilling program, resulted in an upgraded coal resource for EPC 1399 totalling 1504 Mt of Inferred Resource reported in accordance with the JORC Code 2012. The total estimated Coal Resource is 3.44 billion tonnes. The current Exploration Target at Blackall across EPC 1398 and EPC 1399 is estimated at 2.0 to 2.5 billion tonnes of coal.

Previous work commissioned by EER examined potential options for future development of the large scale sub-bituminous coal resources on its Blackall tenements. The final report stated that the coal quality is suitable for thermal energy use, and the volume and architecture of coal-bearing strata are amenable to large scale open-cut mining. With further brownfield exploration aimed at increasing the resource size, there is potential to develop a 30-year mine life, with staged production schedules eventually ramping up to full capacity of about 20 Mt/year of washed coal product, representing about 750 million tonnes of mine production (raw coal). Potential market options identified included supplying a local power station (which would need to be built), coal for sale to domestic or export markets, coal gasification, and gas to liquids conversion.

Given the large tonnage of the current resource identified at Blackall Coal Project and possible further resource definition drilling planned in the future, there may be potential for EER to consider future mining operations at Blackall. Several independent studies have now been undertaken to better understand the geology, resources, mining options, infrastructure requirements and financial considerations of developing the Blackall Coal Project. However, at this stage, the timing and details of such developments are unknown, and will depend on factors such as resistance to new coal development of thermal coal in Australia, securing access to infrastructure and signing sales contracts for the coal resources.

Source: http://www.bioregionalassessments.gov.au/assessments/12-resource-assessment-galilee-subregion/123115-blackall-coal-project

Coal Resources

Coal Resource Estimate 2014

The Blackall Project consists of three main coal resource areas within MDL464, EPC1398 and EPC1399. These permits host a large combined JORC Total Coal Resource Estimate of low-ranking thermal quality coal consistent with JORC 2004 and JORC 2012 Codes.

The Company announced an updated Coal Resource Statement on 10 July 2014 and, together with the previously announced JORC Statements for EPC1149 and EPC 1398, confirms the Company holds the combined JORC Total Coal Resource Estimate of 3.44 billion tonnes of thermal quality coal at its Blackall Coal Project.

Table 1 – EPC 1399 Updated JORC (2012) Coal Resources

Tenement	UPDATED JORC (2012) COAL RESOURCES		
	Inferred (Mt)	Indicated (Mt)	Measured (Mt)
EPC 1399	1,504	-	-
TOTAL	**1,504 million tonnes**		

Table 3 – EPC 1398 Existing JORC (2004) Coal Resources

Tenement	EXISTING JORC (2004) COAL RESOURCES		
	Inferred (Mt)	Indicated (Mt)	Measured (Mt)
EPC 1398	200	-	-
TOTAL	**200 million tonnes**		

Table 5 – EPC 1149 Existing JORC (2004) Total Coal Resources

Tenement	EXISTING JORC (2004) COAL RESOURCES		
	Inferred (Mt)	Indicated (Mt)	Measured (Mt)
EPC 1149	1,113	627.5	-
Sub-total	**1,113**	**627.5**	**-**
TOTAL	**1,740.5 million tonnes**		

The Coal Resource Estimates for EPC 1149 (MDL 464) and EPC 1398 were compiled under the JORC Code, 2004 edition. 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. On that basis the Coal Resource Estimate for EPC 1398 and ELC 1149 have not been upgraded to the JORC 2012 standard.

The JORC 2012 Code requires that the Mineral Resource estimate is reported with Table 1 explanations and include Competent Persons attributions. In the case of the East Energy JORC 2004 estimates there is no change in the actual coal estimate that would affect the valuation but lack of Table 1 may be seen as a risk area. A hypothetical purchaser may seek a lower price because of the additional audit required to upgrade the estimate to the JORC 2012

standard. This has not been quantified in this valuation but is reflected in the selection of assumptions discussed below.

Exploration Target

An Exploration Target in the range of 2.0 to 2.5 billion tonnes has been identified with EPC 1398 and EPC 1399. References to Reported Exploration Targets are in accordance with the guidelines of the JORC Code (2012). The potential quantity and grade of the targets is conceptual 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.

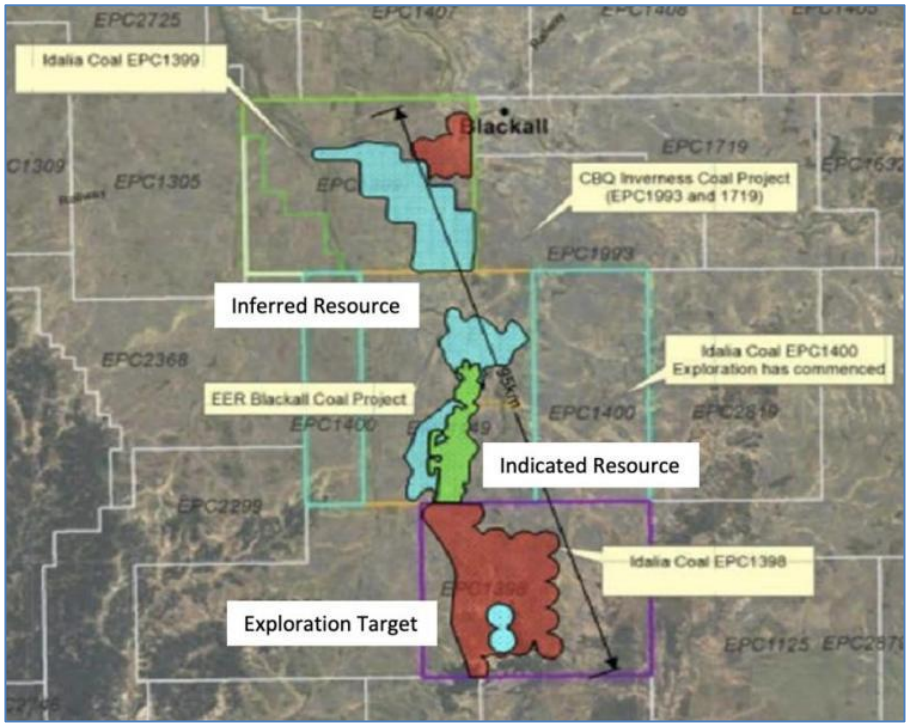
Table 7 – Updated Exploration Targets & Coal Quality Ranges

Tenement	Exploration Target (Mt)	Inherent Moisture (% adb)	Ash (% adb)	Volatile Matter (% adb)	Fixed Carbon (% adb)	Total Sulphur (% db)	Gross Calorific Value Kcal/kg (adb)
EPC 1399	340	15.1-17.4	9.5-34.2	23.6-26.8	29.8-38.9	0.30-0.82	3,729-4,678
EPC 1398	2,290	11.8-21.0	6.2-46.3	18.3-34.8	21.8-43.1	0.20-2.50	2,510-5,249
	Exploration Target Reporting Range - 2,000 to 2,500 million tonnes						

Source:

East Energy Resources Ltd, 2014, EAST ENERGY RESOURCES ARE PLEASED TO ANNOUNCE UPDATED JORC RESOURCE OF 1.74BT, ASX announcement dated 17 September 2012

East Energy Resources Ltd, 2014, ASX announcement dated 10 July 2014 - EER REPORTS 3.44 BILLION TONNE JORC RESOURCE, ASX announcement dated 10 July 2014



Coal Resource and Exploration Target areas

COALBANK Limited (now AustChina Holdings Ltd) released a Maiden Resource Statement for its Inverness Coal Project (EPC 1719, EPC 1993 – excluded from East Energy's Project) at Blackall compliant with the JORC 2012 classification:

Total Inferred Coal Resource of 1.3Bt for the Inverness Deposit includes:

- 825Mt Inferred Resources estimated at less than 50 metres depth
- 1.249Bt Inferred Resources estimated at less than 100 metres depth
- This information was prepared and first disclosed under the JORC Code 2004. It has since been updated to comply with the JORC Code 2012 although the resource information has not materially changed since it was last reported.

Coal Quality

The EPC 1149/MDL 464 coals are low ranking sub-bituminous on average, with inherent moistures ranging from 18 to 22% (air dried 'ad'). The average raw coal ash ranges from 19 to 27% (ad), averaging 22% (ad). The F1.60 product ash ranges from 11 to 15% (ad), with an average product yield of 81%. Average raw gross specific energy ranges from 3580 to 4060 kcal/kg (15 to 17 MJ/kg), with the average F1.60 product specific energy ranging from 4540 to 5020 kcal/kg (19 to 21 MJ/kg). These specifications are well below the Newcastle benchmark values.

The EPC 1399 coals are low ranking sub-bituminous, with inherent moistures ranging from 15 to 17% (ad). The average raw coal ash ranges from 16 to 30% (ad), averaging 23% (ad). Average raw gross specific energy ranges from 3,729 kcal/kg to 4,678 kcal/kg. Raw sulphur content is generally acceptable across the majority of the deposit, averaging 0.55%.

The Blackall coal quality can be considered against the following benchmarks:

- Australian thermal export coal benchmark – 6,000kcal, 12-14% ash content
- Australian thermal export coal secondary benchmark – 5,500kcal, 20% ash content (referred to as the API5 index)
- Indonesian thermal export coal – 4,500-5,500kcal, 2-10% ash content
- South African thermal export coal – 6,000kcal, 15% ash content
- Russian thermal export coal – 6,500kcal, 10-25% ash content
- Indian domestic thermal coal – 4,400kcal, 25-45% ash content (raw)

Comparing the use of the highest Australian benchmark thermal coal relative to Indonesia, the world's largest exporter of thermal coal, Australian thermal coal is higher in energy content, so 20% less coal is required to be burnt to generate a unit of electricity.

The Blackall coals have no such advantage and are similar in specific energy to Indonesian Coals. But with an ash content more than double Indonesia's export average, the ash pollution is double. It is therefore of dubious merit to claim burning Australian coal provides a better environmental outcome.

Further to this point, Australia has historically developed its best coal resources closest to the port first, such that the average quality of new resources being proposed is declining with time. As a result, the Australian benchmark is gradually giving way to a lower quality secondary benchmark with 10% lower energy content and almost double the ash content (5,500kcal, 20% ash).

The rise of lower grade, "off-spec" coal stems from the declining quality of coal in some of the main exporting countries, i.e., Australia, South Africa, America, and Colombia. This lower grade coal typically trades at a **material discount** to its energy adjusted to 6,000kcal equivalent.

Inherent Moisture % (adb)	Ash (adb)	Fixed Carbon % (adb)	Volatile Matter % (adb)	Total Sulphur % (db)	Calorific Value Kcal/kg (gar)
16.8	21.8	34.5	26.9	0.60	3570

Blackall Coal Quality

Quality and Reasonableness – VALMIN 7.3(b)

Agricola has reviewed the current Coal Resource Estimates for the Blackall Coal Project described in the following ASX Releases.

- East Energy Resources Ltd, 2014, EAST ENERGY RESOURCES ARE PLEASED TO ANNOUNCE UPDATED JORC RESOURCE OF 1.74BT, ASX announcement dated 17 September 2012
- East Energy Resources Ltd, 2014, ASX announcement dated 10 July 2014 - EER REPORTS 3.44 BILLION TONNE JORC RESOURCE, ASX announcement dated 10 July 2014

The information provided in JORC Table 1 of the Coal Resource Estimation (10 July 2014) clearly sets out the steps taken to ensure a high-quality outcome for the resource estimate.

Consideration of all mining, metallurgical, social environmental and financial aspects of the project was reported in a satisfactory way and summarised in JORC Table 1. It is envisaged that any potential extraction of these Mineral Resources will be via open cut mining methods.

The resource modelling process was undertaken by Mr Peter Tighe of East Energy Resources under the guidance of Mr Ajay Reddy, Principal Coal Geologist at Gemcom Software Australia Pty Ltd, the developer of MINEX software.

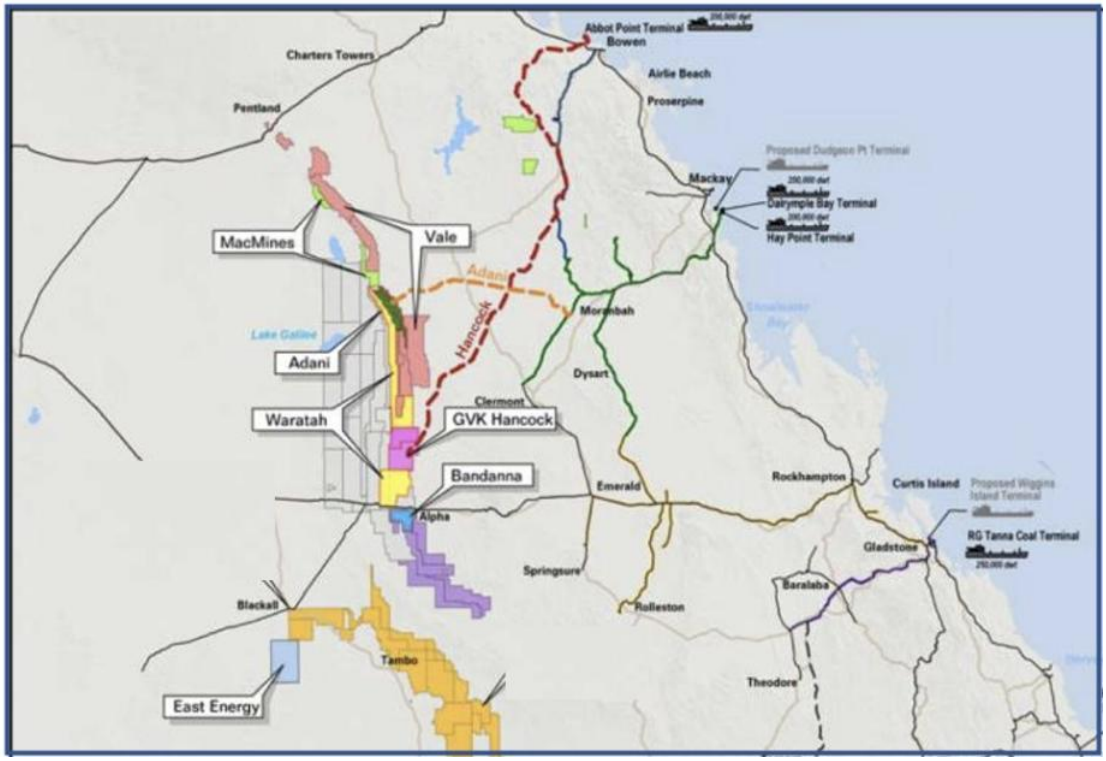
The modelling algorithm used for generating the geological models is the MINEX Growth Technique, a proprietary 2D gridding algorithm, which calculates the most fitting surface for stratiform deposits, taking into account the regional trends together with the ability to honour the drill hole data, given the appropriate gridding parameters. This algorithm was used to model the seam roof, floor, and thickness surfaces, as well as coal quality. The coal seam quality grid values were limited by the actual data ranges. These results are a conservative estimate of coal thickness and quality similar to that produced by using the inverse distance algorithm.

The grid mesh size used for modelling the seam structure and coal quality for the resource estimation is 500m. The base of weathering surface has been applied as the uppermost limit for the coal resource calculation and the 150m cover-line for each seam has been taken as the maximum depth cut-off. A maximum spacing of approximately 4,000m between points of observation has been used to determine an Inferred Resource category for this estimation. Extrapolation of the resource classification beyond known data points has been limited to approximately 1,000m.

The classification of the Coal Resource as Indicated (18%) and Inferred (82%) reflects the competent person's present level of confidence in the seam structure and quality continuity, based on the current data available.

Agricola is satisfied that the Coal Resource estimates are of high quality and reasonable and carried out to a high professional standard as required by the JORC Code, 2012.

Blackall Project Infrastructure



Project Location & Emerging Coal & Infrastructure Projects in Qld

Options for rail and port infrastructure for the Blackall Coal Project are emerging from the planned developments in the Galilee Basin. Various necessary government approvals for infrastructure have been announced including, the Queensland Government approval for the GVK-Hancock Rail to Abbot Point Coal Terminal in May 2012 and the Federal Government provided its approval for the infrastructure on 23 August 2012.

The Queensland Government is also working through a process for the further expansion of the Abbot Point facility in the Abbot Point State Development Area where the AP-X project

has been designed to support future mining projects and other large-scale industry. The government has previously approved the T2 and T3 expansions of the Abbot Point facility.

Practical rail infrastructure options for the Blackall Project now include a standard-gauge spur line from the GVK-Hancock Alpha Coal Project to Blackall using the existing Blackall-Jericho rail corridor. Alternative options for the Blackall Coal Project include the Wiggins Island Coal Export Terminal in Gladstone.

Galilee Basin State Development Area

Declared in June 2014, the 105,996-hectare Galilee Basin State Development Area (SDA) comprises two 500-metre-wide corridors from the Galilee Basin to the Port of Abbot Point.

The Galilee Basin is a 247,000 square kilometre thermal coal basin in central Queensland. It is located about 200 kilometres west of the Bowen Basin, extending north past Hughenden, south to Charleville and west beyond Winton and Middleton.

The Galilee Basin SDA will support the development of the Galilee Basin and provide an efficient way to transport coal to the Port of Abbot Point- one rail corridor is designed to service the central Galilee Basin and a second corridor will service the southern Galilee Basin. The SDA enables a coordinated approach to developing multi-user common rail corridors whilst minimising impacts on landholders and the environment.

The exact timeframe for development of the rail corridors is dependent on investment decisions made by private sector rail proponents. These future developments in infrastructure may provide opportunities for the Blackall Coal Project for inclusion in feasibility studies.

Future Development of Eromanga Basin Coal Deposits

All reports of Coal Resources must satisfy the requirement that there are reasonable prospects for eventual economic extraction (i.e., more likely than not), regardless of the classification of the resource. Portions of a deposit that do not have reasonable prospects for eventual economic extraction must not be included in a Coal Resource. (*JORC Code, 2012, Clause 20)*

The Coal Resources estimated for the Blackall Coal Project are, in part, estimated in accordance with the JORC Code, 2004. 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. The Coal Resources for MDL 464 and EPC 1398 have not been updated to the JORC 2012 standard on that basis.

At the time of the estimations and release to the ASX the ‘condition precedent’ of reasonable prospects of eventual development were considered valid by the Company largely due to the strong historical coal prices in the 2011 – 2014 period.

Queensland Treasury released a report in September 2020 on the future of coal developments with the following comments:

- Queensland's future coal demand will continue to be primarily linked to key economies in North-East and South-East Asia. In particular, the future demand for Queensland's metallurgical coal likely hinges on demand from the world's two largest coal consumers, China, and India.
- Queensland's coal industry continues to enjoy key advantages, including its geographic location and the quality of its coal, compared with most of its global competitors. Therefore, it is likely that international demand will support Queensland's coal exports over the coming two decades, with the long-term prospects for the State's metallurgical coal likely to be more robust than for thermal coal.
- However, there is a substantial degree of uncertainty given the long-term nature of the outlook in a global energy market that is facing ongoing change. This includes long-term prices of high-quality coking coal, which is a critical component of Queensland's total coal production and exports.

Source: Queensland Treasury, A Study of Long-Term Global Coal Demand September 2020

Until the mid 2000s, growth in Australian coal exports was primarily driven by steadily expanding exports to Japan and other developed Asian economies. In the late 2000s there was a period of more rapid growth as exports to China and India in particular expanded, and there was significant investment to expand capacity. Investment in the sector slowed from 2012 because falling prices led to a number of projects being delayed or cancelled. Investment has remained subdued since, as firms in Australia have focused on investments to sustain production rather than significantly expand output.

The Coal resources in the Blackall region include 3.44 Bt (East Energy) and 1.3 Bt (AustChina) and neither company have announced development plans. Whilst there may be reasonable prospects of eventual development over the next two decades there is less certainty of viable development beyond that. It might be anticipated that about 500 to 600 million tonnes could be extracted in that time frame. The remainder of the Blackall Coal Project should be treated differently in a valuation scenario based on % of current spot price.

The Blackall coals are significantly lower in quality compared to coals from the Bowen Basin and the Hunter Valley and would probably require a specialist market.

- The benchmark export quality Newcastle coal, FOB, 6,760 kcal NAR per Kilogram and less than 0.8%, sulphur 15.1% ash.
- The coal from the Carmichael mine calorific value (CV 4,950kcal NAR)
- The coal from the Blackall mine's energy content (CV 3,750kcal NAR). The 26% average ash content
- A discount to the benchmark thermal coal price is appropriate on this basis

Agricola has chosen to value the Indicated Resource of 627.5 million tonnes within MDL 464 on the basis of 'reasonable prospects of eventual development' and to ascribe a notional value to the Inferred Resource ($0.5 to $0.65 million) and the Exploration targets ($0.25 to $0.35 million) as there is no reasonable prospect of future development.

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VALUATION APPROACHES

Comparable Transactions (*Market Based*) methods allow the value estimated for a mining project to be benchmarked against transaction values established in the market. Comparable transaction methods are a key tool for ensuring value estimates that are consistent with what the market would actually pay. Comparable transactions are indispensable for valuing exploration properties (with or without mineral resources), where there is not enough information to compile a reasonable fundamental discounted cash flow analysis. Market values are expressed (or normalized) as ratios of the form $/ounce, $/tonne or $/km^2.

Geo Rating – Prospectivity Index (*Cost Approach*) methods provide an appropriate approach in the technical valuation of the exploration potential of mineral properties. It may be applied to exploration ground and also to areas with mineral resources and exploration targets by applying an estimated future budget per unit area and the prospectivity index (based on Geo Rating Factors) to the tenement area.

It is anticipated that the two methods will suggest similar technical values and are compared in each case to ensure the assumptions are consistent, reasonable, and transparent.

Mineral Resource Estimate Valuation

Mineral Resource Estimates include mineral assets estimated in accordance with the JORC Code (2012). Historical estimates and Exploration Targets may also be considered with appropriate discounts.

Key technical issues that need to be taken into account include:

- JORC Category – overall confidence in the Mineral Resource estimate
- The grade of the resource, by-products and co-products
- Mining factors – difficulty and cost of extraction; economies of scale
- the amount of pre-strip (for open pits) or development (for underground mines) necessary
- Metallurgical factors – processing characteristics; the metallurgical qualities of the resource; anticipated recoveries and waste disposal
- Environmental factors including chemical safeguards
- Infrastructure - the proximity to infrastructure such as an existing mill, roads, rail, power, water, skilled work force, equipment.
- Likely operating and capital costs and profitability.

Agricola's preferred methods of Mineral Resource valuation are:

- *Comparable Transactions method* – Comparing other mineral asset transactions and with the current mineral asset, usually on the basis of value per metal unit are - A$/metal unit, A$/tonne, % of Spot Price.

- *Geo Factor Rating methods* – Often applied to exploration ground but may also be used for an area that contains the mineral resource. The conceptual budget (based on the holding cost and area) should reflect the exploration status of the tenement.

Comparable Transactions method for Mineral Resources

For the purpose of mineral asset valuation, a specialist compiles and analyses acquisitions of projects of similar nature, time and circumstance with a view to establishing a range of values that the market is likely to pay for a project. The value metric is expressed as '% of spot price' at the transaction date to enable comparisons with the spot price at the current effective date.

Market transactions may include provisions for additional factors such as existing infrastructure and development, arrangement of debt financing, marketing rights, contingent payments and future royalties. Therefore, the price disclosed as paid for a mineral asset may not necessarily equate to the total value of the consideration for the tenement, as it may not include the value of other factors or conditions not readily convertible into cash equivalents. The comparable transactions method is widely used throughout the minerals industry.

Geo Rating method for Mineral Resources

The Geo Rating method systematically assesses and grades four key technical factors of a tenement (off-site, on-site, anomalies and geology) to arrive at a "prospectivity index" and is usually expressed as a range of values to reflect the uncertainty of the assessment. Detailed discussion is presented in numerous publicly released valuation documents.

Adjustments are made for the status of the tenure (live or pending) and for equity held in the projects.

Exploration Ground Valuation

Exploration Ground includes exploration potential based on past exploration work. This group will be valued by the 'Comparable Transactions' ($/km^2) method and the Geo Rating (Prospectivity Index) method based on area and Base Holding Cost (BHC) for the follow-up exploration work.

Key technical issues that need to be taken into account include:

- Evidence of mineralization and mines on adjacent properties
- Proximity to existing production facilities of the property
- Geological setting of the property
- Existing mineralization within tenement boundaries
- The relative size of the landholding
- Results of exploration activities on the tenement
- Implications for future successful exploration outcomes.

Agricola's preferred methods of Exploration Ground valuation are:

- *Comparable market value method* – Comparing other mineral asset sales with the current mineral asset, usually on the basis of value per unit area - A$ per km^2.
- *methods* –The conceptual budget (based on the holding cost and area) should reflect the stage of exploration of the tenement.

Comparable market value method for Exploration Ground

This is a variation of the comparable transaction method for mineral resources where sales of mineral asset without mineral resource estimates to JORC Code 2012 standard are reviewed it terms of the past results and exploration potential. The value metric is expressed as 'A$ per unit area', A$/km^2.

Geo Rating Method for Exploration Ground

The Geo Rating method systematically assesses and grades four key technical attributes (factors) of a tenement to arrive at a "prospectivity index" and is usually expressed as a range of values to reflect the uncertainty of the assessment. The four key factors are:

Off-Site - Physical indications of favourable evidence for mineralization, such as workings and mining on the nearby properties. Such indications are mineralized outcrops, old workings through to world-class mines

On-Site - Local mineralization within the tenements and the application of conceptual models within the tenements. Location and nature of any mineralization, geochemical, geological, or geophysical anomaly within the property

Anomalies - Identified anomalies warranting follow up within the tenements. Geophysical and/or geochemical targets and the number and relative position of anomalies on the property being valued

Geology - The proportion of structural and lithological settings within the tenements and difficulty encountered by cover rocks and other factors

The Geo Rating method involves assessing the tenement area on the basis of Geo Rating principles (assessing prospectivity at the current stage of the asset) and complies with principles of reasonableness and transparency. In particular the assessed conceptual budget which is based on Base Holding Cost and project area must reflect the stage of development of the project. This method is used for both mineral resources and exploration ground and supports the comparative transaction method.

The rationale behind the Geo Rating method is that the average cost incurred to explore a base unit area (km^2) of a mineral tenement for a period of 12 months at the current stage of development, the base holding cost (BHC), represents the minimum value of the unit area of a tenement, else it would be relinquished. The BHC multiplied by the area of the project provides guidance to the *conceptual budget.*

Compounding multipliers are applied to the conceptual budget in an attempt to replicate the acquiring party's evaluation process by taking into account location, maturity, success,

prospectivity and the market. The theory is that if the correct factors are applied, the resultant figure should amount to the fair market value and be close to the comparable transaction method. The strength of the Geo Rating method is that it is transparent and uses a consistent starting point for the valuation process. Adjustments are made for the status of the tenure (live or pending) and for equity held in the projects.

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Current Project Status

East Energy Resources Ltd (EER) holds 100% equity in the Blackall Coal Project in Queensland. The main coal resources in the project are held within MDL 464 and EPCs 1149, 1398 and 1399.

The initial resource evaluation area has a strike-length of about 95 km and a mean width of 6 km, with current resources in EPC 1149 totalling 1.74 billion tonnes This comprises of 627.5 Mt of Indicated Resource, and 1113 Mt of Inferred Resource (JORC 2004). In July 2014 the Company announced to the ASX a Coal Resource Statement for EPC1399 comprising a JORC (2012) compliant Inferred Coal Resource of 1,504 million tonnes.

The resource statements announced to date for the Blackall Coal Project confirm that the Company holds a combined JORC Total Coal Resource Estimate of 3.44 billion tonnes of thermal quality coal at its Blackall Coal Project. The July 2014 announcement also included an updated Exploration Target in the range of 2.0 to 2.5 billion tonnes within EPC1398 and EPC1399.

No new on-ground exploration has been undertaken on the Blackall Project tenements since the granting of MDL 464 in 2014 while the company assessed various development options for the resources. Key Activities included the following:

- Maintain all tenements in good standing and meet all statutory reporting requirements
- Continue to review strategic options for development of the Blackall Project
- Continue to appraise the market outlook for thermal coal

- Continue to review strategic opportunities for the Company
- Monitor Galilee Basin coal projects and government approvals
- Monitor and assess rail and port infrastructure commitments by other proponents as to their impact on the potential development of the Blackall Project
- Conduct limited desk top studies into geology, environment, alternative technologies, marketing, transport mine planning

Exploration Potential

Adjacent Projects

Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical, or geophysical anomalies. Physical indications of favourable evidence for mineralization, such as workings and mining on the nearby properties. Such indications are mineralized outcrops, old workings through to world-class mines.

The Galilee Basin contains extensive world-class resources of predominantly high-volatile, low sulphur thermal coal. Development plans are well-advanced for six major black coal deposits on the eastern margin of the basin. Because of their large size these operations are projected to achieve significant economies of scale.

The Galilee Basin is currently a major focus of coal exploration and possible future development and most of this activity has taken place post-2008. The estimated coal resources of the Galilee Basin have grown to 27 billion tonnes. This large increase in relatively short time reflects the boom in greenfield exploration that has occurred since the mid-2000s (closely aligned to significant increases in global coal prices), and the successful delineation of at least seven thermal coal deposits containing in excess of one billion tonnes of Identified Resources.

Mineralisation

Nature of any mineralization, geochemical, geological, or geophysical anomaly within the property and the tenor (grade) of any mineralization known to exist on the property being valued. Local mineralization within the tenements and the application of conceptual models within the tenements. Location and nature of any mineralization, geochemical, geological, or geophysical anomaly within the property.

The Blackall Project consists of three main coal resource areas within MDL464, EPC1398 and EPC1399. These permits host a combined JORC Total Coal Resource Estimate of 3.44 billion tonnes of low-ranking thermal quality coal consistent with JORC 2004 and JORC 2012 Codes.

An Exploration Target in the range of 2.0 to 2.5 billion tonnes has been identified with EPC 1398 and EPC 1399. References to reported Exploration Targets are in accordance with the guidelines of the JORC Code (2012). The potential quantity and grade of the targets is conceptual 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.

Anomalies within tenements

Geophysical and/or geochemical areas of interest and the number and relative position of anomalies on the property being valued. Identified anomalies warranting follow up within the tenements. Geophysical and/or geochemical areas of interest and the number and relative position of anomalies on the property being valued.

The coal seams within the Winton formation extend throughout this part of the Eromanga Basin south of Blackall township and Inferred Coal Resources within this unit have been delineated by AustChina within EPC 1719 and EPC 1993 (see figures on pages 5 and 7) (Coalbank 2012). The estimated coal resources are limited by the current drilling mask and can be expected to be more or less continuous between EPC1149, EPC1399 and the AustChina ground (see the figure on page 10). There is clear potential to expand and upgrade the coal resource estimates from Inferred to Indicated Resource and from Exploration Targets to a higher category within the Blackall Coal Project though the pre-condition of 'eventual prospects of development' should be taken into account. Coal resources on the adjacent AustChina Holdings EPC 1993 extend into the East Energy tenure EPC 1399 and EPC 1149. Queensland's coal industry continues to enjoy key advantages, including its geographic location and the quality of its coal, compared with most of its global competitors. Therefore, it is likely that international demand will support Queensland's coal exports over the coming two decades, with the long-term prospects for the State's metallurgical coal likely to be more robust than for thermal coal. Viability of thermal coal beyond 2050 is less certain.

Geological Setting

Geological patterns and models appropriate to the property being valued. The proportion of structural and lithological settings within the tenements and difficulty encountered by cover rocks and other factors.

The Galilee Basin is a large inland geological basin in the central Queensland region of Australia. The Galilee Basin is part of a larger Carboniferous to Mid-Triassic basin system that contains the Cooper Basin, situated towards the south-west of the Galilee Basin, and the Bowen Basin to the east. The Galilee Basin is overlain by the Cretaceous – Jurassic Eromanga Basin. The Triassic and younger sediments of the Galilee Basin form the basal sequence of the Great Artesian Basin drainage basin.

VALUATION of BLACKALL COAL PROJECT

Comparable Transactions for Coal Resources

To determine the fair market value for the Company's Project, Agricola has reviewed comparable transactions for the Moorlands, Monash and Ebenezer coal projects in Australia and the information available from UK based Edison Research. The reviews have estimated

'% of spot prices' for the three Australian projects that are at a similar stage of development (i.e. feasibility stage, Ebenezer is on Care and Maintenance) to the Blackall Coal Project. They are better placed with regards to infrastructure and active coal fields but can be compared with Blackall if these factors are taken into account and an appropriate range of '% of spot price' values is selected.

The Edison research information provides a general discussion of thermal coal projects based on JORC category and market transactions involving sale and purchase of estimated Coal Resources reported in accordance with the JORC Code.

Source: Edison Research, 2019, Gold stars and black holes. Analysing the discount: From resource to sanction. Mining sector report, January 2019

Australian Transactions

Agricola has carried out a search of publicly available information relating to thermal coal projects at feasibility stage that are considered to be comparable to the Blackall Coal Project. Three transactions were selected as appropriate from 2011, 2014 and 2016. Agricola considers that there is a direct relationship between the transaction value (A$/t) and the spot coal price, and the '% of Spot Price' normalised the appropriate coal price metric has been estimated.

Moorlands, Monash, and Ebenezer Coal transactions have been reviewed to establish a benchmark for actual transactions. The 'normalisation of A$/t against spot price allows comparable transactions over the last decade to be directly compared with the current valuation at the current thermal coal price.

Agricola has selected the *Moorlands Project* in the Bowen Basin and the *Monash Project* in the Hunter Valley as projects at the Feasibility Study stage and the Ebenezer Project in South East Queensland on care and maintenance and analysed the metrics (A$/t, % of spot price) for the resources outside any planned mine plan area.

RECENT COAL PROJECT TRANSACTIONS

Project	Date	Sale Price	Coal Resources				Status
		A$M	Measured	Indicated	Inferred	Total, Mt	
Thermal Coal Projects							
Moorlands	Jul-16	7.4	76	128	76	280	Feasibility
Monash	May-11	30.0		13	274	287	Feasibility
Ebenezer	Nov-14	10.0		24.1	284.1	308	Care and Maintenance

Coal Type

- Blackall, Moorlands, Monash and Ebenezer are all **thermal coal deposits** that may be used for power generation.

- The Blackall Coal Project contains low ranking sub-bituminous thermal coal within the Mesozoic Eromanga Basin, overlying the larger Galilee Basin. The energy content is 3,570kcal and 21.8% average ash content.
- The Low Ash, Moderate Energy Thermal Coal deposits at Moorlands lie within an early-Permian aged sedimentary sub-basin representing an outlier to the Bowen Basin. The energy content is 6,160kcal and 10.5% average ash content.
- Monash is a semi-soft/thermal coal deposit within the Hunter Valley. The energy content of the thermal coal is 6,700kcal and 14.5% average ash content.
- The Ebenezer Deposit is High-Grade Thermal coal in south East Queensland. The energy content of the domestic thermal coal is 6,100kcal and 22.4% average ash content.
- It is noted that the Moorlands, Monash and Ebenezer coal deposits are significantly higher quality than Blackall. This will be considered in estimating a discount to the coal price.

Project Stage

- All projects considered are at the **pre-feasibility stage**
- Coal Resources have been estimated at Blackall and a Mine Development Licence has been granted. Preliminary Scoping Studies were undertaken some years ago and the project is now at the pre-feasibility stage
- The Moorlands coal resources are adjacent to an established mine plan and further pre-feasibility studies are now required to add the resources to the long term mine plan.
- The Monash coal resources have been estimated to Indicated level. Mine planning and pre-feasibility studies are now required to progress the project.
- The Ebenezer Project was an operating mine in the past and is now on Care and Maintenance. New mine planning and feasibility studies are required to bring the project back into production.

Estimated Values

- Details of the three transactions at Moorlands, Monash and Ebenezer have been **released to the ASX** and are publicly available.
- The resource and valuation estimate at Moorlands was generated and published by Xstract Mining Consultants Pty Ltd in July 2016.
- Details of the Monash transaction were generated and published by Gloucester Coal Ltd in May 2011.
- Details of the Ebenezer transaction were generated and published by Coalbank Limited (now renamed AustChina Holdings) in November 2014.
- Agricola believes that the values used in the transaction reviews are reasonable and form an acceptable basis to assess the transactions with respect to the current Blackall Valuation.

Summary of Comparable Transactions Metrics				
	Date	A$/t	Price, A$	% of Spot
Moorlands	Jul-16	0.026	73.52	0.036%
Monash	May-11	0.105	121.04	0.086%
Ebenezer	Nov-14	0.032	71.57	0.045%

Moorlands Coal Project, July 2016

The thermal coal deposits at Moorlands lie within an early-Permian aged sedimentary sub-basin representing an outlier to the Bowen Basin. Up to 13 coal seams have been identified at Cuesta's Moorlands Project, with seams often comprising more than one ply.

Coal Resources, estimated in accordance with the JORC Code (2012), for the Moorlands Project include 113 Mt Measured, 128 Mt Indicated and 76 Mt Inferred for a total of 318.0 million tonnes. Xstract has used the discounted cash flow method to assess the value of the first scheduled 19 years of the conceptual mine. This schedule includes a mine inventory of 37 Mt at Moorlands.

In considering the value likely to be attributed by the market to the remaining Coal Resource, Xstract notes that the 204 Mt Resource outside the conceptual mine plan comprises 88% of the total Resource base, which lies in a structurally complex geological setting. Xstract considers the current market would pay up to A$0.05/t for Measured Resource, up to A$0.04/t for Indicated Resource and up to A$0.03/t for Inferred Resource.

Xstract's opinion, regarding the current market value of Cuesta's interests in the Indicated and Inferred components of the Moorlands Project, is that the preferred value is A$7.40 million for the resource of 204 million tonnes.

Source: Xstract Mining Consultants, 2016, Cuesta Coal Limited Technical Specialist Report Prepared for: Cuesta Coal Limited Effective Date: 20 July 2016. The Valuation report is included as an appendix to the Independent Experts Report by BDO as part of the Takeover Bid for Cuesta Coal Limited (ASX: CQC): Target's Statement released to the ASX on 11 August 2016.

Analysis - Moorlands Coal Deposit July 2016	
CUESTA COAL Valuation	Jul-16
Thermal Coal Price, A$/t	73.52
Moorlands:	
Measured, Mt	76
Indicated Resource, Mt	128
Inferred Resource, Mt	76
Total Resource, Mt	280
Value Estimates (Xstract)	
Valuation, A$M	7.40
Ind.+Inf. Resource, A$/t	0.026
% of Spot Price	0.036%

Cuesta Coal Limited, Technical Specialist Report, Prepared for: Cuesta Coal Limited Effective Date: 20 July 2016 - Xstract Mining Consultants Pty Ltd

The Moorlands project is based on thermal coal within the Bowen Basin at a time when the then current coal market outlook was depressed, and the Thermal coal price was estimated at A$81.37 per tonne in July 2016. Agricola has reviewed the Moorlands valuation by Xtract and considers the valuation metrics would be slightly higher that the Blackall Coal Project

when the '% of spot price' (0.045%) is considered. The Moorlands Project is well placed in the Bowen Basin (compared to the more remote Eromanga Basin).

Monash Coal Project, May 2011

The Monash Project has some similarities with the Blackall Coal Project and is briefly reviewed. Monash is a semi-soft/thermal coal early-stage exploration project with estimated coal resources strategically located near existing infrastructure in the Hunter Valley.

Gloucester Coal Ltd announced in May 2011 that it proposed to acquire Donaldson Coal for $585 million (Donaldson Acquisition); and Monash Group for a Base Purchase Price of $30 million plus contingent payments. The Monash Coal Project includes two exploration Licenses (EL6123 and EL7579 covering an area of 22.19 square kilometres in the Hunter Valley region of NSW. It includes coal resources of 13 million tonnes in the Indicated category and 274 million tonnes in the Inferred category estimated in accordance with the JORC Code, 2012. Further potential exploration upside exists.

The project is located 12 kilometres from an existing rail line and coal is expected to be shipped from the Port of Newcastle, 95 kilometres away. It is situated in a region serviced by the Hunter Valley rail network.

The implied transaction value of $30 million for 287 million tonnes in Indicated and Inferred resource is $0.105 per tonne. The Monash Project is considered to be at a more advanced stage than the Blackall Project and better placed. It benefits from Scoping and Feasibility studies and is based on thermal coal.

Analysis - Monash Coal Deposit May 2011	
Gloucester Coal Purchase	May-11
Thermal Coal Price, A$/t	121.04
Monash:	
Indicated Resource, Mt	13
Inferred Resource, Mt	274
Total Resource, Mt	287
Value Estimates (Glousecter)	
Valuation, A$M	30.00
Ind.+Inf. Resource, A$/t	0.105
% of Spot Price	0.086%
Indicated and Inferred Resource only considered	

Source: Gloucester Coal Acquisition of Donaldson Coal and Monash Group. ASX Release, May 2011

Ebenezer Coal deposit, November 2014

Coalbank Limited (ASX: CBQ) entered into a binding Terms Sheet with Zedemar Holdings Pty Ltd (Zedemar), a privately owned company, to acquire a 100% interest in ML 4712, known as Ebenezer Mine, together with its associated assets and MDL 172 Bremer View (Projects).

Project Overview:

- Located in south-east Queensland, approximately 10 km south-west of Ipswich and 44 km west-southwest of Brisbane. 81 km by rail from Port of Brisbane.
- Ebenezer is an established mine currently under care and maintenance. Zedemar will continue to maintain the mine until the acquisition is completed.
- Current JORC Probable Reserves of 13.7Mt and JORC Resources of 308.2Mt (24.1Mt Indicated and 284.1Mt Inferred categories*

• High Grade Thermal coal (6,700kCal/kg adb)

The key terms of the Terms Sheet are:

- Purchase price of ten million dollars ($10 million) exclusive of GST
- Royalty payments of one dollar ($1.00) per saleable tonne of coal (net of GST) produced from each of the ML 4712 and MDL 172. The Royalty Fee payable for ML 4712 and MDL 172 collectively is capped at a maximum of 20 million tonnes, and
- Exclusivity for Coalbank during the period from the date of payment of the purchase price until completion of the acquisition or valid termination.

Source: Coalbank Limited, 2014, Coalbank Agrees Terms To Buy Ebenezer Mine, ASX Release, 10 November 2014

Analysis - Ebenezer Coal Deposit November 2014	
CoalBank Purchase	Nov 14
Thermal Coal Price, A$/t	71.57
Ebenezer	
Indicated Resource, Mt	24.1
Inferred Resource, Mt	284.1
Total Resource, Mt	308.2
Value Estimates (Glousecter)	
Valuation, A$M	10.00
Ind.+Inf. Resource, A$/t	0.032
% of Spot Price	0.045%
Indicated and Inferred Resource only considered	

Edison Research – January 2019

UK based Edison Research has conducted major analyses in its 2019 report. Edison derived transaction values for a range of commodities, listed across three markets, differentiated by resource category. In the case of thermal coal resources, it determined that the 12 months between August 2017 and August 2018 were characterised by a continued recovery in both prices and the transaction value of resources, with the latter demonstrating a leveraged relationship to the former, such that the percentage of spot price represented by the value of resources also increased. The metrics of the 2019 analysis are as follows.

EDISON RESEARCH - August 2018				
Benchmark Spot Coal Price (US$)	107.81			
	Measured	Indicated	Inferred	Total
Thermal coal value (US$/t)	0.038	0.030	0.015	0.030
Value as % of Spot	0.035%	0.028%	0.014%	0.028%

% of Spot Price of thermal coal resources 20118

Details of the coal transactions underlying the analysis were not disclosed in the Edison report and the review is provided to demonstrate the difference in JORC category transactions.

Source: Edison Research, 2019, Gold stars and black holes. Analysing the discount: From resource to sanction. Mining sector report, January 2019

https://www.edisongroup.com/sector-report/gold-stars-and-black-holes/23211

Assumptions

Coal Resource Summary

East Energy Limited				GLOBAL Coal Resource Statement
Blackall Coal Project	**MDL 464 (EER)** JORC 2004	**EPC 1398 (IDA)** JORC 2004	**EPC 1399 (IDA)** JORC 2012	**Total**
Measured				
Indicated	627.50			627.50
Inferred	1,113.00	200.00	1,504.00	2,817.00
Total	1,740.50	200.00	1,504.00	3,444.50
Exploration Target*				
Low			2,000.00	
High			2,500.00	2,250.00

Summary of Coal Resources – Blackall Coal Project

Production rates in the Galilee Basin vary between 30 mtpa at Alpha and Kevin's Corner and 60 mtpa at Carmichael.

Carmichael Coal Project	
Initial	15
Ramp up	27
Full approval	60
China First (Galilee Coal Project)	40
China Stone	38
Alpha Coal Project (mine and rail)	30
Kevin's Corner	30

Coal Production (Mtpa) – Galilee Basin (Total ~200Mtpa)

Source: The Australia Institute, Mineral Resources (Galilee Basin) Amendment Bill 2018 Submission

There is potential at Blackall to develop a 30-year mine life, with staged production schedules eventually ramping up to full capacity of about 20 Mt/year of washed coal product, representing about 750 million tonnes of mine production (raw coal). This scenario would exhaust the Indicated Resource (or an equivalent amount of Indicated and Inferred Resource).

Mineral development licence (MDL 464) was granted to allow evaluation of the development potential of the defined resource. An MDL is granted over an exploration permit where there is a significant mineral occurrence of possible economic potential. Under the JORC Code, only Measured and Indicated Resources can be converted to Ore Reserves based on feasibility studies and mine design and these underpin the future development plans within MDL 464 for the Blackall Coal Project.

Agricola has elected to value the Indicated Resource (**627.5 million tonnes within MDL 464**) at the appropriate discounted thermal coal price (discussed below) and value the Inferred Resource and Exploration Target at a notional value to reflect the lower JORC categories and the long time frame to possible development.

Discount to Benchmark Price

Both the Carmichael Mine and the Blackall Coal Project contain low-quality thermal coal. Australia's benchmark Newcastle thermal coal exports are high quality – as defined by the two parameters that set the pricing of export thermal coal – energy and ash content.

- The benchmark price is quoted for Export Thermal Newcastle coal, FOB, CV 6,760 kcal NAR per Kilogram and 15.1% ash *(Department of Industry 2016).*
- The coal from the Carmichael mine calorific value (CV 4,950 kcal NAR) is 27% lower than the Newcastle benchmark. The 21.5% average ash content is 65% above the Newcastle index. The lower quality of the Carmichael mine's output will result in a **30 per cent discount** in revenue per tonne *(Quiggen 2017*).
- The coal from the Blackall coal Project's energy content (CV 3,570kcal NAR) is 40% lower than the benchmark. The 21.8% average ash content is 68% above the Newcastle index. Agricola estimates the lower quality of the Blackall mine's output will result in a **40 per cent discount** in revenue per tonne compared to the Newcastle Benchmark *(Agricola Assumption 2021).*

Comparison with Newcastle Benchmark					
	Calorific Value		Ash (adb)		Discount
Newcastle	6000		13.0		
Carmichael	4950	83%	21.5	165%	30%
Blackall	3570	60%	21.8	168%	40%

The Newcastle benchmark 6,000kcal 12-14% ash content thermal coal export price ended the 2018 year at US$101t/free on board (fob). This was a dramatic improvement, double the early 2016 lows of ~US$50/t. In January 2021, this price has fallen back to below US$87/t.

The Newcastle benchmark for lower spec 5,500kcal coal with 20% ash declined over 2018 and exited the year at US$57/t, a 43% discount to the 6,000kcal benchmark. As at end March 2019, this price was USS$56/t, a discount of 38%.

Institute for Energy Economics and Financial Analysis (IEEFA) views this as reflective of the ongoing push to deal with critically dangerous air pollution and lower emissions. China joined Japan, Taiwan, and South Korea in paying a record high price for lower ash, higher energy coal.

Argus has normalised coal pricing to calculate that on an equivalent energy content basis, high ash coal is now trading at a 30% discount to equivalent energy content coal of lower ash. This is treble the discount that applied in previous years.

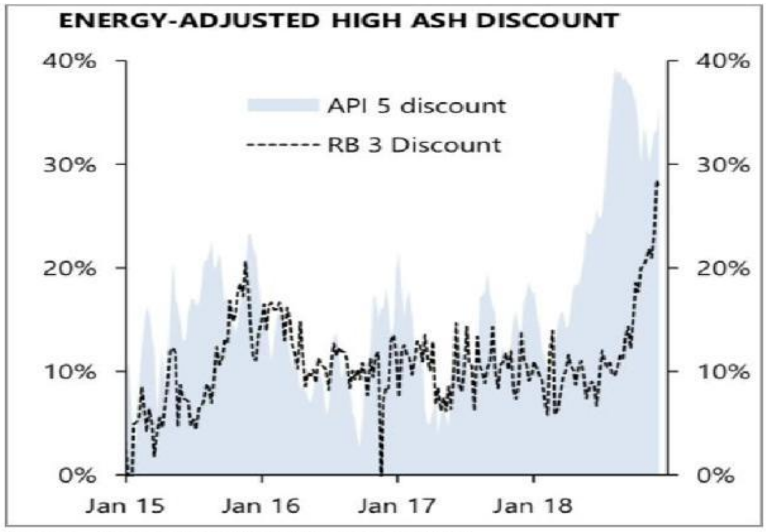
IEEFA concludes that, unwashed, the Carmichael 4,950kcal, 26% ash raw thermal coal would sell internationally at a likely 50% discount to the 6,000kcal Newcastle benchmark price (using the end-March 2019 price of US$90/t). This is the same discount of Carmichael coal to Newcastle benchmark as the Quiggin estimate but estimated at a different time by different

authors (Quiggin, 2017 and Buckley, 2019). Agricola has chosen to rely on the more conservative estimate.

Source: John Quiggin, 2017, The Economic (non)viability of the Adani Galilee Basin Project, School of Economics, University of Queensland July 2017

Department of Industry 2016, Quality of Coal Deposits in New South Wales

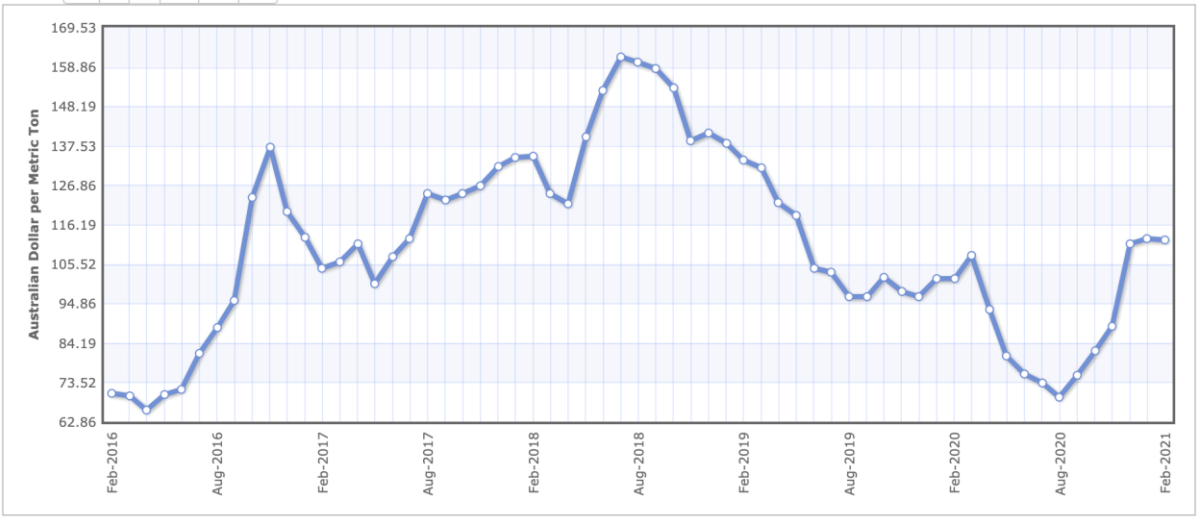
Buckley, T, 2019, Conflating Queensland's Coking and Thermal Coal Industries, Thermal Coal Adds Little to Queensland's State Budget, Institute for Energy Economics and Financial Analysis, May 2019



Source: Argus Consulting, December 2018.

The discount rates refer to the Carmichael Mine analysis (Buckley 2019)

Thermal Coal Price



Description: Coal (Australia), thermal GAR, f.o.b. piers, Newcastle/Port Kembla from 2002 onwards , 6,300 kcal/kg (11,340 btu/lb), less than 0.8%, sulfur 13% ash; previously 6,667 kcal/kg (12,000 btu/lb), less than 1.0% sulfur, 14% ash

Australian Coal Prices (Indexmundi.com, 2021)

Agricola has reviewed thermal coal prices for Newcastle Benchmark Thermal Coal over the last year. The average price over the 2020-21 is estimated at A$90. This value is consistent with the consensus forecasts from 2020 -21 discussed by KPMG (A$85/t for 2021).

Month	Price, A$	Month	Price, A$
Mar-20	107.66	Sep-20	75.49
Apr-20	93.02	Oct-20	82
May-20	80.66	Nov-20	88.8
Jun-20	75.68	Dec-20	110.81
Jul-20	73.3	Jan-21	112.36
Aug-20	69.65	Feb-21	111.9

Newcastle higher-grade Thermal Coal Price, Monthly 2020-21

Estimated Thermal Coal Price - Blackall	
Average Thermal Coal Price	88.00
(Based on Actual 2020-21 and KPMG Forecast)	
Blackall Project Discount	40%
Rounded Blackall Coal Price	**53.00**

Source: KPMG, Coal Price and Fx Market Forecasts, September/October 2020, Indexmundi.com

Thermal coal is used to generate electricity and is rapidly approaching technological obsolesce. As a result, new thermal coal basins are un-bankable and of marginal viability. Stranded asset risks for thermal coal, the associated supporting infrastructure investments and coal-fired power plants are rising. The urgency of dealing with the climate crisis is increasingly clear to financial institutions and financial regulators. To date, 112 globally significant financial institutions have introduced thermal coal policy restrictions. Adani has found it impossible to secure financial backers for its Carmichael thermal coal mine proposal in Queensland's Galilee Basin.

Considering the resistance to long-term development possibilities, notional value is ascribed to the **Inferred Resource** ($0.50 to $0.65 million) and the **Exploration Target** ($0.25 to $0.35 million) on the basis that they may not be included in the feasibility mine design over the next few decades and may not be considered to have reasonable prospects of eventual development beyond that time frame. There is growing resistance to the development of new coal projects in the Galilee and there is a risk that the Inferred Resource will lie undeveloped for a long time. The values are quite low on a $/tonne basis and Agricola considers they are reasonable as part of the overall value of the Project.

The estimates are based on a coal price equal to 1% of the current price for the Inferred Resource and Exploration Target combined suggesting a rounded technical value of $0.75 to $1.00 million. Value is rounded to reflect the confidence level in estimating Inferred Resources and Exploration Targets. Some separation of the two categories is provided in choosing $0.60/t and $0.40/t. Technical values have been rounded.

Agricola consider this approach is reasonable and in line with the hypothetical purchaser's expectations *(the Spencer Test).*

Estimate of Notional Long-Term Value				*Technical Value, A$M*	
	Mtonnes	Percent	Price	Low	High
Indicated Resource	627.50	100.0%	53.00	9.98	13.30
Inferred + Expl. Target	5,067.00	1.00%	0.53	0.81	1.07
Inferred Resource	2,817.00		0.60	0.54	0.72
Exploration Target	2,250.00		0.40	0.29	0.38
Long Term Values have been rounded to reflect lack of accuracy and Risk					

(*Refer to the discussion on the Future Development of Euromanga Basin Coal Deposits).*

% of Spot Coal Price per tonne

To determine the technical value for the Company's Project, Agricola has reviewed three coal project transactions at Moorlands, Monash, and Ebenezer to determine the transaction price paid for the Indicated and Inferred coal resources at each project. Information available from UK Based Edison Research was also reviewed and compared to the Australian examples.

The Australian coal transactions were considered to be comparable to Blackall and Agricola estimates these projects would command a higher price. The Moorlands Coal Project is located in the Bowen Basin, Monash Coal Project is located in the Hunter Valley and Ebenezer is located in South East Queensland. Moorlands and Monash are at feasibility level. Ebenezer is on Care and Maintenance. All three are well placed in comparison with Blackall with contain higher quality coal resources. It is to be expected that these projects would command a higher price (% of Spot Price) than Blackall and are included here as examples of 'good quality' coal transactions. The Edison transactions have the benefit of differentiating the JORC categories. The Blackall resource valued by this method is Indicated Coal Resource.

Summary of Comparable Transactions Metrics				
	Date	A$/t	Price, A$	% of Spot
Moorlands	Jul-16	0.026	73.52	0.036%
Monash	May-11	0.105	121.04	0.086%
Ebenezer	Nov-14	0.032	71.57	0.045%
Edison		US$/t	Price, US$	% of Spot
Indicated	Aug-18	0.030	107.81	0.028%
Inferred	Aug-18	0.015	107.81	0.014%
Blackall Coal Project				
Low				*0.030%*
High				*0.040%*

Coal Prices are estimated as the average of six months prior to valuation Date

Agricola has related the transactions to the commodity Fuel (energy) Index and considers that the Moorland and Ebenezer projects represent an appropriate range of '% of Spot Price' values. Both transactions were announced during the current lower period of the index. Both are located close to existing coal infrastructure and this has been taken into account. The Monash transaction was announced ten years ago during a boom in the Index and has a combination of semi soft and thermal coals and has attracted a higher value to the others. The value for Indicated Resources by Edison also influences the choice of values for Blackall

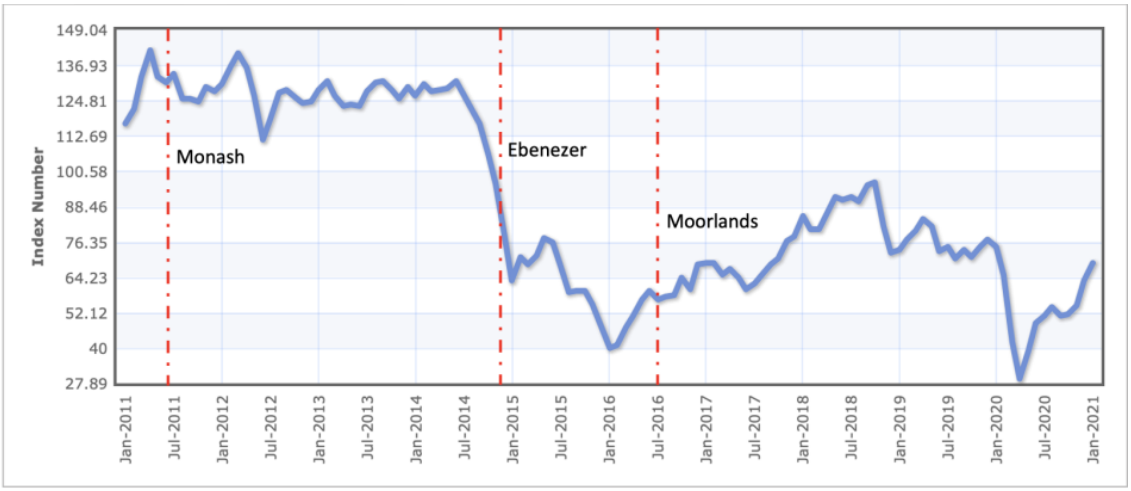
where only the Indicated Resource is to be valued by this method. The issue of coal quality is considered separately.

The values for Moorlands and Ebenezer have been reduced by 10% and rounded in recognition of:

- Moorlands includes Measured Resources in the total resource. The main part of the deposit was assessed by DCF methods and this valuation covers the resources adjacent to and beyond the mine design.
- Ebenezer was formerly operating between 1988 and 2003 and now includes an Ore Reserve of 13.7Mt. A proposal was in place in 2011 to acquire the project and commence operations in 2013.

Blackall

- the JORC 2004 estimate for Blackall parameters (lack of JORC Table 1),
- the lack of recent feasibility work and development planning,
- the remote location and limited infrastructure options,
- strong opposition to coal mine development in the Galilee Basin,
- resistance to new rail and port development opposite the Great Barrier Reef,
- the uncertainty of China sanctions and tariffs on coal and other trade relationships.



Description: Commodity Fuel (energy) Index, 2005 = 100, includes Crude oil (petroleum), Natural Gas, and Coal Price Indices

The range of **0.030% to 0.040%** was selected by Agricola for the Indicated Resource in MDL 464. Agricola considers that the discount to benchmark price (40%) serves to adjust the range of values to be consistent with the technical value for Blackall on the basis of **coal quality**.

Agricola considers that this methodology avoids double counting the discount factors.

A$ per unit Area

The exploration ground has been valued using Comparable transactions (A$ per km^2). A value range of **A$1,000 to A$2,000 per km^2** was selected as reasonable by Agricola for the Project based on a consideration of a database of comparative transactions. This includes projects with prospective geology and may include extensive exploration history and some areas of

interest yet to be explored. The selected projects are at a similar stage of exploration including surface surveys and limited drilling not yet advanced enough for resource definition.

Blackall Coal Project includes two tenements that are peripheral to the coal resource tenements and are valued on the same basis as exploration ground for most commodities. The valuation reflects the stage of exploration and the exploration required to advance the project. It is considered to be independent of the commodity being searched for and the coal price.

Agricola considers that the unit rates allocated for resource areas and exploration ground are reasonable and consistent with the status of the tenements.

Base Holding Cost

The concept of the Base Holding Cost (BHC) is the minimum initial budget required to maintain and explore a tenement at the current stage of exploration for a year.

The BHC assumes that projects are classed as exploration projects without defined mineral resources as a starting point. The use of minimum annual expenditures (Exploration Commitments) applied in many jurisdictions tends to distort the BHC and holding costs are estimated based on the tenement stage.

The Coal Resource tenements have been extensively explored but future exploration may be limited to infill drilling and feasibility work on MDL 464.

Some surface exploration has been carried out on the exploration ground and the coal resources are believed to extend into these tenements. Coal resource from the adjacent tenements held by AustChina may extend into the East Energy ground. The next exploration phase would involve wide spaced drilling.

Range of BHC values, Queensland, A$/km^2

	Low	High
Annual Rent	30	30
Data Review and Planning	25	25
Field Office and Overhead	35	35
Surface Exploration	50	70
Drilling - RAB, RC and DD	220	250
Administration	40	40
Total	400	450

The expenditure estimates are consistent with the requirements of the Queensland government for expenditure on EPCs

The Base holding Cost required to maintain and explore the next phase of exploration was assessed at **$400 to $450 per km^2** by Agricola and is consistent with the extensive earlier surface exploration on the Coal Resource tenements and extensions to areas where drilling has been carried out on EPC 1149 AND EPC 1399. This suggests an exploration budget of $80,000 to $90,000 per annum for the exploration ground and ten times that for MDL 464.

Geo Factor Rating Factors

The method assesses the prospectivity of the project area based on four attributes as described earlier. Prospectivity Index is estimated by multiplying the four factors together.

Geofactors selected for the Coal Resource and Exploration Tenements are:

Blackall Coal Project	**Coal Resource Tenements**		**Exploration Tenements**	
	Low	**High**	**Low**	**High**
Base Holding Cost	400	450	400	450
Geofactors				
Off property	1.50	1.50	1.50	1.50
On Property	3.00	3.10	1.25	1.35
Anomaly	1.75	1.85	1.00	1.10
Geology	1.50	1.60	1.50	1.60
Prospectivity Index	11.81	13.76	2.81	3.56

The four key factors are:

Off-Site - Physical indications of favourable evidence for mineralization, such as workings and mining on the nearby properties. Such indications are mineralized outcrops, old workings through to world-class mines

On-Site - Local mineralization within the tenements and the application of conceptual models within the tenements. Location and nature of any mineralization, geochemical, geological, or geophysical anomaly within the property

Anomalies - Identified anomalies warranting follow up within the tenements. Geophysical and/or geochemical targets and the number and relative position of anomalies on the property being valued

Geology - The proportion of structural and lithological settings within the tenements and difficulty encountered by cover rocks and other factors

Details of the relevant Geo Factors descriptions are summarised below.

GEO-FACTOR RATING CRITERIA - **GUIDELINES**				
Rating	**Address - Off Property**	**Mineralisation - On Property**	**Anomalies**	**Geology**
1.5	1.50 Scout RAB and RC Drilling with some scattered results. Inferred Resource estimated on AustChina ground. Extensive low grade coal seams known to exist in the Eromanga Basin.	1.25 – 1.35 Exploratory sampling with encouragement on the exploration ground., Concept validated	1.00– 1.10 No known anomalies 1.75 – 1.85 Extensions to known Coal seams available for further exploration on the Coal Resource tenements. Exploration ground includes interpreted coal seams in the Eromanga Basin	1.50 – 1.60 Tenure covers the Winton Formation. Shallow alluvium covered favourable geology (50-60% exposure)
2	Significant RC drilling leading to advance project status	RAB &/or RC Drilling with encouraging intercepts reported	Several well-defined surface targets with some RAB drilling	Exposed favourable lithology (60-70%)
2.5	Grid drilling with encouraging results on adjacent sections	Diamond Drilling after RC with encouragement	Several well-defined surface targets with encouraging drilling results	Strongly favourable lithology (70-80%)
3	Resource areas identified	3.00 – 3.10 Advanced Resource definition drilling with Indicated, Inferred Resources and Exploration Targets-estimated on the Coal Resource tenements.	Several significant subeconomic targets - no indication of volume	Highly prospective geology (80 - 100%)

Details of the background to the geofactors descriptions are included in the 'Exploration Potential' section discussed earlier. Geo Factor rating criteria discussions are readily available in published reports available on the ASX and elsewhere.

Technical Value

Comparable Transactions Method – Coal Resources (% of Spot Coal Price).

Thermal Coal Price for the Blackall Coal Project is estimated at $53 per tonne. The assumption for '% of Spot Coal Price' is 0.030% to 0.040%. The valuation applies to the Indicated Resource within MDL 464. A rounded notional value is ascribed to the Inferred Resource ($0.50 to $0.65 million) and the Exploration targets ($0.25 to $0.35 million). The notional values are quite low on a $/tonne basis reflecting the low confidence levels of the estimates and the uncertainty of eventual development in the longer term. Agricola considers they are reasonable as part of the overall value.

TECHNICAL VALUE			
Comparative Transactions Method - % of Spot Price			
Blackall Coal Project			
Classification		*Indicated Resource*	
Total Coal Resource, Mtonnes		627.50	
Blackall Thermal Coal Price, $/t		53.00	
		Low	High
Assessed Rate, % of Price		0.030%	0.040%
A$/t Thermal Coal		0.016	0.021
Technical Value, A$M		**9.98**	**13.30**
Technical Value = [Mtonnes][Coal Price]*[% of Price]*			
Notional Long Term Value			
Remaining Inferred Resource	2,817.00	**0.50**	**0.65**
Exploration Target	2,250.00	**0.25**	**0.35**
		10.73	**14.30**

*Technical Valuation is based on 100% Equity. Grant factor of 100%, A$ per tonne is estimated from the comparable transactions method as described in the Assumptions. Technical Value is estimated from [% of Spot Price (High and Low) * Tonnes* Coal Price]. Values are rounded and expressed a A$ million for the Low to High range.*

Comparable Transactions Method – Exploration Ground ($/km^2).

The exploration ground tenements have been valued on a range of **A$1,000 to A$2,000 per km^2** based on mature projects with extensive exploration. This was selected as reasonable by Agricola.

TECHNICAL VALUE					
Comparative Transactions - A$/km2	**Area (km2)**	**A$/km2 Rate**		**Technical Value**	
		Low	High	Low	High
Exploration Tenements		-	-	-	-
EPC 1400 (IDA)	90.19	1,000	2,000	0.09	0.18
EPC 1407 (IDA)	108.85	1,000	2,000	0.11	0.22
Total	199.04			**0.20**	**0.40**

Technical Valuation is based on 100% Equity. Grant factor of 100%, A$ per km2 is estimated from the comparable transactions method as described in the Assumptions. Technical Value is estimated from A$/km2 (High and Low) * Area]. Values are rounded and expressed a A$ million for the Low to High range.

Prospectivity Index (Geo Rating) Method Method – Geo Factor Rating of Prospectivity

An estimate of technical value is compiled based on Geo Rating Factors.

TECHNICAL VALUE				
Prospectivity Index (Geo Rating) Method				
Blackall Coal Project				
Classification	*Coal Resource Tenements*		*Exploration Tenements*	
Area	*2,000.17*		199.04	
	Low	High	Low	High
Base Holding Cost (BHC)	400	450	400	450
Prospectivity Index	11.81	13.76	2.81	3.56
Technical Value, A$M	**9.45**	**12.39**	**0.22**	**0.32**
*Technical Value = [Area*BHC]*[Prospectivity Index]*				

Technical Valuation is based on 100% Equity. Grant factor of 100%, Geofactors based on the assessment of the prospectivity discussed earlier. Technical Value is estimated from Area BHC (High and Low) * Prospectivity Index]. Values are rounded and expressed a A$ million for the Low to High range.*

Comparison of Methods

The comparative transactions valuation focusses on the Indicated Coal Resource within MDL 464 on the basis that this resource may form the basis for a viable mining operation. There is potential to develop a 30-year mine life, with staged production schedules eventually ramping up to full capacity of about 20 Mt/year of washed coal product. A smaller amount has been ascribed to the Inferred Resource, the Exploration Target, and the exploration ground.

The Geo Factor (prospectivity Index) valuation focusses on the exploration potential for the tenements that contain the entire coal resources in all categories and further research and changes in community attitudes may allow future long-term development or different acceptable uses. While the current attitude to climate change and development of coal projects in the Galilee Basin is negative this may change in the future.

Agricola believes that, in regard to the Spenser Test, a hypothetical purchaser may consider both aspects of the Blackall Coal Project of equal weight – both the short-term development possibilities and the long term uses for such a considerable coal resource. Agricola considers that the average of the methods is appropriate to value the coal resource estimates and the exploration ground.

COMPARISON OF VALUATION METHODS			
	Technical Value, A$M		
	Low	**High**	**Preferred**
Coal Resource Tenements			
Comparative Transactions, % of Spot Price	10.73	14.30	12.52
Geo Factor - Prospectivity Index	9.45	12.39	10.92
Average	**10.09**	**13.35**	**11.72**
Exploration Tenements			
Comparative Transactions, $ per km^2	0.20	0.40	0.30
Geo Factor - Prospectivity Index	0.22	0.32	0.27
Average	**0.21**	**0.36**	**0.29**

Equity Position – Technical Value

The Technical Value represents the intrinsic value of the mineral asset based on coal resources and exploration ground, coal quality and price, exploration potential, location, infrastructure, and deposit specific community sentiment. It takes into account the equity held by the Company. The Company holds 100% equity in the Blackall Coal Project.

TECHNICAL VALUE - EQUITY				
Blackall Coal Project	**Technical Value, A$M - Equity Holding**			
	Equity	**Low**	**High**	**Preferred**
Coal Resource Tenements	100%	10.09	13.35	11.72
Exploration Tenements	100%	0.21	0.36	0.29
Total		**10.30**	**13.70**	**12.00**

MARKET VALUE

Market Premium or Discount

Values of Mineral Assets are volatile in nature and show marked cyclicality. In boom times the market in Australia may pay a premium over the technical value for high quality Assets (assets that hold defined resources that are likely to be mined profitably in the short-term or projects that are believed to have the potential to develop into mining operations in the short term even though no resources have been defined). On the other hand, in times of bust conditions exploration tenements that have no defined attributes apart from interesting geology or a good address may well trade at a discount to technical value.

Current market sentiment to thermal col developments has shown strong resistance to the industry continuing in its present form beyond 2050. Queensland treasury has stated:

- Queensland's future coal demand will continue to be primarily linked to key economies in North-East and South-East Asia. In particular, the future demand for

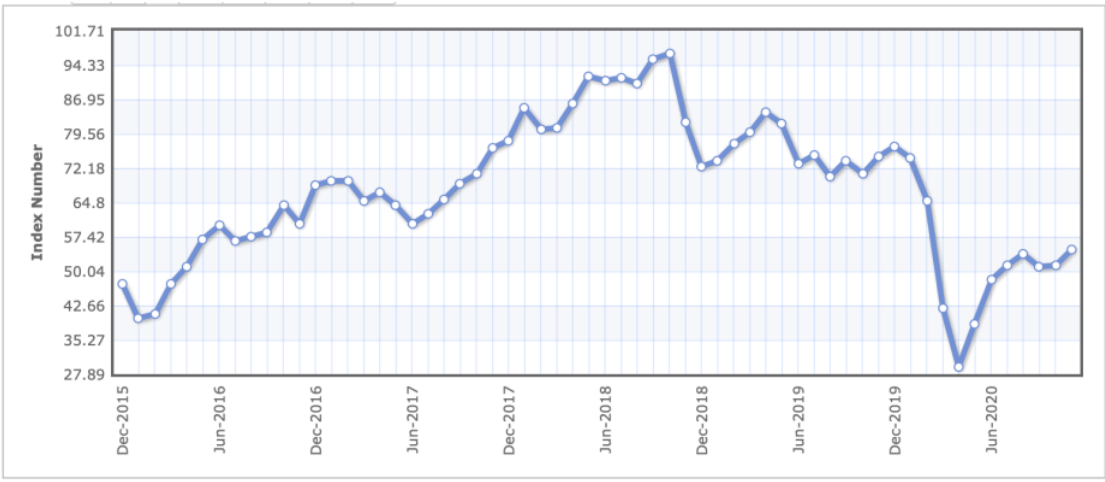
Queensland's metallurgical coal likely hinges on demand from the world's two largest coal consumers, China, and India.

- Queensland's coal industry continues to enjoy key advantages, including its geographic location and the quality of its coal, compared with most of its global competitors. Therefore, it is likely that international demand will support Queensland's coal exports over the coming two decades, with the long-term prospects for the State's metallurgical coal likely to be more robust than for thermal coal.
- However, there is a substantial degree of uncertainty given the long-term nature of the outlook in a global energy market that is facing ongoing change. This includes long-term prices of high-quality coking coal, which is a critical component of Queensland's total coal production and exports.

Source: Queensland Treasury, A Study of Long-Term Global Coal Demand September 2020

These attitudes are reflected in the notional valuations of the Inferred Resources and Exploration targets though the mining industry generally is resilient when adjusting to changing times.

Other considerations may play a part in ascribing a premium or discount. Deciding on the level of discount or premium is entirely a matter of the technical expert's professional judgment. This judgment must, of course, take account of the commodity potential of the tenement, the proximity of an asset to an established processing facility and the size of the landholding.



Description: Commodity Fuel (energy) Index, 2005 = 100, includes Crude oil (petroleum), Natural Gas, and Coal Price Indices

The Commodity Fuel (Energy) Index is variable and currently close to the average for the last five years. This aspect has been considered in the technical valuation and would be considered by a potential buyer in accordance with the VALMIN Code (2015).

Market conditions are considered to be captured in the '% of spot price' selection and treatment of Inferred Resources and Exploration Targets. No premium or discount is considered to the coal resource and exploration ground estimates. A **Market Factor of 1.00** is applied to the Technical Value

MARKET VALUE	
Blackall Coal Project	
Market Value Assessment	
Legal issues	No Issues known
Commercial issues	Possible Market in Asia over the next two decades
Market conditions	Thermal Coal demand is waning in the long term
Commodity Price Outlook	Variable
Country Risk	Stable, A1 risk rating
Community Resistance	Native Tittle negotiated. Growing community resistance
Competing Projects	Several in the Galilee Basin
Market Factor	**1.00**

Market Value Summary

The Company holds rights to 100% of the Blackall Coal Project. The market value has been arrived at by considering the technical value and an appropriate discount or premium. In this case, no premium or discount has been applied.

The estimate of the market value for the equity discussed in the report held by the Company is in the range of:

MARKET VALUE SUMMARY				
Blackall Coal Project		**Market Value, A$M - Equity Holding**		
	Factor	**Low**	**High**	**Preferred**
Coal Resource Tenements	1.00	10.1	13.3	11.7
Exploration Tenements	1.00	0.2	0.4	0.3
Total		**10.3**	**13.7**	**12.0**

Based on an assessment of the factors involved, the estimate of the market value for the equity discussed in the report held by the Company is in the range of:

$10.3 million to $13.7 million with a preferred value of $12.0 million.

This valuation is effective on 26 March 2021.

This value range has been rounded to reflect accuracy and is considered appropriate for the Project at this stage of development reflecting the uncertainty of eventual extraction of a Mineral Resource.

This Mineral Asset valuation endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain, and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation (the Spencer Test). It follows a *'bottom-up'* approach and does not consider corporate aspects such as

control premiums and goodwill of the transaction. It applies to the direct sale of existing equity in the Projects at the date of this Report in accordance with the VALMIN Code (2015).

Consistency and Reasonableness

Market Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner. (VALMIN Code, 8.1) The two valuation methods have produced a similar outcome and consideration should be given of the underlying assumptions such as exploration ground value per square kilometre range, base holding cost and assigned geo ratings to determine if these factors (and the technical value) are reasonable.

Agricola is satisfied that the assumptions and values ascribed to the coal resources and the exploration ground is consistent for the comparable transactions and Geo Rating Factor methods and reasonable for the purposes of the Valuation. The estimates are considered to be in accordance with the VALMIN Code 2015.

Agricola considers that the expectation of future gain is the main driver for mineral asset valuation of exploration projects as it endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain, and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation *(the Spencer Test*).

Previous Valuations, 2018

Agricola Mining Consultants Pty Ltd was commissioned by the Directors of Stanton International Securities Pty Ltd to provide a Valuation Report on the Coal Assets at the Blackall Coal Project in Queensland held by East Energy Resources Limited.

Based on an assessment of the factors involved at that time, the estimate of the market value for 100% equity in the Blackall Coal Project, was in the range of A$9.6 million to A$19.5 million with a preferred value of A$13.5 million. This valuation was effective on 19 February 2018.

It is noted that there has been no significant exploration carried out since 2014 that would impact on the technical aspects of the valuation. There has been a reduction in the total tenement area and in the Thermal Coal price. The total Coal Resource remains unchanged since 2014 and a different approach was taken to the valuation of Inferred Resources and Exploration Targets in the current valuation.

For the 2018 valuation report Agricola chose to value the Blackall Coal Project on the basis of Geo Ratings and Multiples of Exploration Expenditure. Neither method addressed the Coal resource directly and valued the total area of the tenements and the expenditure to achieve the resource estimates. A discount was applied to the geo Rating method in recognition of the low quality of the coal resource in terms of energy and ash content and the then current attitude to the Carmichael mine (Adani) and coal development in the Galilee Basin.

For the current 2021 valuation Agricola has chosen to value the Indicated Resource within MDL 464 by the Comparative Transactions method (% of Spot Price) with a notional value ascribed to Inferred Resources and the Exploration Target.

The comparative transaction method addressed the coal resources directly with a small amount allocated to exploration ground. Agricola elected to ascribe a discount to the current coal price rather that apply a discount for the Market Value and considers the valuation methods and treatment of discounts more in line with Agricola's current valuation practice.

The current method is preferable because the future development options for the Inferred Resource and Exploration Targets are considered to be at high risk and may not progress in a reasonable time frame. They have been ascribed a nominal low value in line with the current attitude of the community and government in line with environmental concerns regarding carbon emission. The 2018 valuation had some difficulty in ascribing a realistic range of '% of Spot Price' values to the entire resource and the Geo factor and MEE approach was considered to provide a more realistic and reasonable outcome at that time.

Comparison of 2018 and 2021 Valuation Metrics		
	2018	**2021**
Tenement Area, km^2	3088.67	2,199.21
Total Coal Resources, Mt	3,444.50	3,444.50
Thermal Coal Price, A$/t	130.00	88.00
Discount to coal Price	n/a	40%
Blackall Coal Price A$/t	n/a	53.00
First Valuation Method	Geo Factor	Comp. Trans.
Second Valuation Method	MEE	Geo Factor
Market Value Discount	25%	0%
Valuation	**A$M**	**A$M**
Low	9.6	10.3
High	19.5	13.7
Preferred	13.5	12.0

Source:

Stantons International Securities, 2018, Re: East Energy Resources Limited (ACN 126 371 828) ("EER" Or "The Company") On the Proposal to Allow the Interests Of Noble Group Limited ("Noble") To Convert Debt (Including Capitalised Interest) Owing To The Noble Group To Be Converted To Share Equity In EER. Shareholders Meeting Pursuant to Section 611 (Item 7) of the Corporations Act 2001 ("TCA"), 19 February 2018.

Agricola Mining Consultants Pty Ltd, 2018, Independent Valuation of The Blackall Coal Project Held by East Energy Resources Limited, 19 February 2018 (included in the Stanton International Securities Report)

RISKS or the BLACKALL COAL PROJECT and EAST ENERGY LIMITED

Agricola has identified a range of risk elements or risk factors, which may affect the exploration outcomes of the Company's Projects. There are specific risks associated with the activities of the Company and general risks which are largely beyond the control of the Company and the Directors. The risks identified below, or other risk factors, may have a material impact on the future exploration performance. The risks outlined below are not exhaustive but are the minimum exposure areas.

These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, exchange control, exploration licensing, export duties, investment into a foreign country and repatriation of income or return of capital, environmental protection, land access and environmental regulation, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits be provided to local residents.

These risks may cover such areas as:

Security of Tenure

This may specifically cover mining tenure whereby country specific mining laws and legislation apply. Any opportunity in Australia and overseas will be subject to particular risks associated with operating in Australia or the respective foreign country.

- The Project includes five granted Exploration Permits for Coal and a granted Mineral Development Lease in the Blackall area, central Queensland.
- The status of the tenements has been verified based on a recent independent inquiry of the Department of Natural Resources and Mines, Queensland by Agricola, pursuant to section 7.2 of the VALMIN Code, 2015. Confirmation of the tenement status is provided in Queensland Government Resource Authority Public Reports.
- Risks are associated with obtaining the grant of renewal of tenements upon expiry of their current term, including the grant of subsequent titles if applied for over the same ground.
- The Report has been prepared on the assumption that the tenements are lawfully accessible for evaluation. All tenement reporting obligations such as annual reports, expenditure commitments, rents and renewals have been lodged and the tenure is progressing in accordance with the relevant Mining Acts in Western Australia. Failure to comply with these aspects may be a risk to future exploration and development.

Exploration Risk

Mineral exploration and development are high risk undertakings due to the high level of inherent uncertainty. There can be no assurance that exploration of the Company's tenements will result in the discovery of economic mineralisation. Even if mineralisation is discovered there is no guarantee that it can be commercially exploited.

Any future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

- Risks inherent in exploration and mining include, among other things, successful

discovery, delineation and upgrade of Coal Resources, satisfactory performance of mining operations if a mineable deposit is discovered; and competent management.

- The Company's Projects have been explored over the past decades. New techniques and deeper drilling may reveal new area of interest areas or identify areas with inadequate exploration.
- A number of areas have been identified within the Project area that have yet to be explored in detail.

Resource Estimates

There is no guarantee that a JORC Code compliant resource will be discovered on any of the Company's tenements. Resource estimates are expressions of judgement based on knowledge, experience, and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

- Coal resources have been estimated for the Company's Projects to the JORC 2004 and 2012 standard.
- There is no certainty that further exploration work will result in the determination or upgrade of coal resources to the JORC 2012 standard or that the categories assigned will be upgraded to allow Ore Reserve estimates.

Access Risks – Cultural Heritage and Native Title

The Company must comply with various country specific cultural heritage and native title legislation including access agreements which require various commitments, such as base studies and compliant survey work, to be undertaken ahead of the commencement of mining operations.

It is possible that some areas of those tenements may not be available for exploration due to cultural heritage and native title legislation or invalid access agreements. The Company may need to obtain the consent of the holders of such interests before commencing activities on affected areas of the tenements. These consents may be delayed or may be given on conditions which are not satisfactory to the Company.

Land Access

- Risks arising because of the rights of indigenous groups in domestic and overseas jurisdictions which may affect the ability to gain access to prospective exploration areas and to obtain exploration titles and access, and to obtain production titles for mining if exploration is successful. If negotiations for such access are successful, compensation may be necessary in settling indigenous title claims lodged over any of the tenements held or acquired by the Company. The level of impact of these matters will depend, in part, on the location and status of the tenements.
- The risks associated with being able to negotiate access to land, including by conducting heritage and environmental surveys, to allow for prospecting, exploration, and mining, is time and capital consuming and may be over budget and is not guaranteed of success.

Native Title

- Native title rights and interests are those rights in relation to land or waters that are held by Aboriginal or Torres Strait Islander peoples under their traditional laws and customs and recognized by the common law. Native title was first accepted into the common law of Australia by the High Court of Australia's decision in Mabo (No 2) in 1992.
- Australian law recognizes that, except where native title had been wholly extinguished by the historical grant of freehold, leasehold, and other interests, native title exists where Aboriginal people have maintained a traditional connection to their land and waters substantially uninterrupted since sovereignty.
- The particular rights and interests vary from case to case but may include the right to live and camp in the area, conduct ceremonies, hunt, and fish, build shelter, and visit places of cultural importance. Some native title holders may also have the right to control access.
- Australian law also requires that native title approval be obtained before mining applications can commence. All agreements with the Traditional Owners are carried out by negotiation, with bespoke arrangements being concluded in each individual case.

Equipment and Management

- Poor access to exploration areas as a result of remoteness or difficult terrain.
- Poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues.
- Unforeseen major failures, breakdowns or repairs required to key items of exploration equipment and vehicles, mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance, and upkeep.
- The availability and high cost of quality management, contractors and equipment for exploration, mining, and the corporate and administration functions in the current economic climate and the cost of identifying, negotiating with and engaging the right people.

Infrastucture

- Rail infrastructure was approved by the government in 2014 however funding limitations has resulted in lack of progress.
- There is a risk that Blackall may have to contribute to rail funding.

Environmental Risks

The operations and proposed activities of the Company are subject to each project's jurisdiction, laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Future legislation and regulations governing exploration, development and possible production may impose significant environmental obligations on the Company.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potential economically viable mineral deposits. The Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals or to obtain them on terms acceptable to the Company may prevent the Company from undertaking its desired activities.

The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations, or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition, and results of operations.

- The risk of material adverse changes in the government policies or legislation of the host country affect the level and practicality of mining and exploration activities.
- Environmental management issues with which the holder may be required to comply from time to time. There are very substantive legislative and regulatory regimes with which the holder needs to comply for land access, exploration and mining that can lead to significant delays.

Economic

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development, and possible production activities, as well as on its ability to fund those activities.

Sovereign and Political Risk

The Company's tenements are wholly within Queensland. The Company's interests are subject to the risks associated with operating in Australia. These risks may include economic, social, or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, exchange control, exploration licensing, land access and environmental regulation, mine safety, labour relations as well as government control.

This may also include community and government resistance to new coal mine development in the future.

DECLARATIONS, COMPETENCE, and INDEPENDENCE

Relevant codes and guidelines

This Report has been prepared as an Independent Technical Assessment and Valuation Report in accordance with the *Australasian Code for Public Reporting of Technical Assessment of Mineral Assets (the "VALMIN Code", 2015 Edition*), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), as well as the rules and guidelines issued by the ASIC which pertain to *Independent Expert Reports (Regulatory Guides RG111, October 2020 and RG112, March 2011)*. Agricola regards guidelines of RG112.31 to be in compliance whereby there are no business or professional relationships or interests, which would affect the expert's ability to present an unbiased opinion within this report.

Where exploration results and mineral resources have been referred to in this report, the information was prepared in accordance with the *Australasian Code for Reporting of Exploration Results, Mineral resources, and Ore Reserves (JORC Code 2004 and 2012),* prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia.[1]

Sources of Information

The statements and opinions contained in this report are given in good faith and are based on information provided by the title holders in ASX Releases, along with technical reports by consultants, previous tenements holders and other relevant published data for the area. Exploration results are based on, and fairly represent, information and supporting documentation prepared the Company and reviewed by Malcolm Castle. Agricola has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this report is based. A final draft of this report was provided to the Company, along with a written request to identify any material errors or omissions in the technical information prior to lodgement.

Malcolm Castle was a former non-executive director of East Energy from December 2007 to 24 November 2011 and is familiar with the Blackall Coal Project. In compiling this report, Agricola did not carry out a site visit to the Project area at this time. Based on its previous association with the Blackall Coal Project and East Energy, lack of surface expression of geological attributes, previous exploration work in the area, and the availability of extensive databases and technical reports made available by various Government Agencies and the stage of exploration, Agricola considers that sufficient current information is available to allow an informed appraisal to be made without such a visit.

Previously Reported Information

Information in this Report is extracted from publicly available sources such as ASX Releases and open file reports and publications. The information in this report that references previously reported exploration results is extracted from ASX market announcements and are available to view on the ASX website (www.asx.com.au). No commercially sensitive information has been addressed, included or

[1] ASIC, 2011, Content of Expert Reports, Regulatory Guideline 111, October 2020.

ASIC, 2011, Independence of Experts, Regulatory Guideline 112, March 2011.

JORC, 2012. Australasian Code for Reporting of Exploration Results, Mineral resources and Ore Reserves (The JORC Code).

VALMIN, 2015, Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code).

excluded from the report. All information is in the public domain and consent is not required for any statements or data in the report.

Agricola confirms that it is not aware of any new information or data that materially affects the information included in the Report. Agricola 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.

The figures included in this report are sourced from published documents and ASX Releases by the Company. All figures have been reviewed, modified if necessary, and updated to the date of this Report and are the responsibility of Malcolm Castle, the Competent Person for this report.

This Report may contain statements that are made in or based on statements made in previous geological reports that are publicly available from either a government department or the ASX. These statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72 (clauses 6 and 7). [2]

The Independent Technical Assessment and Valuation Report has been compiled based on information available up to and including the date of this Report. The information has been evaluated through analysis, enquiry, and review for the purposes of forming an opinion. However, Agricola does not warrant that its enquiries have identified or verified all of the matters that an audit, extensive examination or "due diligence" investigation might disclose.

Agricola or Malcolm Castle is not aware of any new information or data, other than that disclosed in this Report, that materially affects the assessments included in this Report and that all material assumptions and parameters underpinning Exploration Results and Mineral resource Estimates continue to apply and have not materially changed.

Qualifications and Experience

The person responsible for the preparation of this report is:

Malcolm Castle, B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM

Malcolm Castle completed studies in Applied Geology with the University of New South Wales in 1965 and was awarded a B.Sc. (Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and was awarded a Graduate Certificate in Applied Finance and Investment in 2004. He has been a Member of the Australasian Institute for Mining and Metallurgy (AusIMM) for over 50 years.

Malcolm Castle has over 50 years' experience in exploration geology and property evaluation, working as an independent consultant, and for major and minor companies throughout his career as an exploration geologist including Kennecott, Amoco, Esso, Plutonic, Laverton Gold, Transcontinental Resource Group, Fortescue Metals Group and BMG Ltd, BMG Resources Ltd.

He established a consulting company over 30 years ago and specializes in exploration management, technical audit, due diligence, and mineral asset valuation at all stages of development. He has wide experience in a number of commodities including precious metals,

[2] ASIC Corporations (Consents to Statements) Instrument 2016/72, 11 March 2016. Available online from: https://www.legislation.gov.au/Details/F2016L00326

base metals, nickel, cobalt, iron ore, coal, mineral sands, uranium, sulphate of phosphate, specialty metals including rare earths, scandium, lithium, and vanadium over his professional career.

He has been responsible for project discovery and exploration through to feasibility study in Papua New Guinea, Australia, Fiji, South Africa, Indonesia and Brazil and technical audits in many overseas locations.

He has completed numerous Independent Technical Assessment Reports and Mineral Asset Valuation Reports on properties in a number of countries over the last decade as part of his consulting business.

Competence

Malcolm Castle is the Principal Consultant for Agricola Mining Consultants Pty Ltd, an independent geological consultancy.

- He is appropriately qualified geologist and is a member of a relevant recognized professional association (AusIMM)
- He has the necessary technical and securities qualifications, expertise, competence, and experience appropriate to the subject matter of the report; and
- He has at least ten years of suitable and recent experience in the particular technical or commercial field in which he is to report.

Declaration – VALMIN Code: The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Malcolm Castle, who is a Member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle is not a permanent employee of the Company. Malcolm Castle has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity, which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Malcolm Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement – JORC Code: The information in this report that relates to Exploration Results and Mineral resources of the Company is based on, and fairly represents, information and supporting documentation reviewed by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Castle consents to the inclusion in this report of the matters based on the information and supporting documentation in the form and context in which they appear.

Independence

- Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the projects. The relationship with the Company is solely one of professional association between client and independent consultant. There are no business relationships between Agricola and the Company.

- Agricola and Malcolm Castle are suitably independent from East Energy. Malcolm Castle owns 40,000 shares in East Energy that has 3.2 billion shares issued and the shares held by Malcolm Castle are not considered to be significant. Malcolm Castle was a former non-executive director of East Energy from December 2007 to 24 November 2011. A period of approximately ten-year period has elapsed since that directorship expired.
- Agricola does not hold and has no interest that is considered material, or would include any assessment conducted under the engagement, in the securities of the Company. Agricola has no relevant pecuniary interest, association or employment relationship with the Company and its subsidiaries; Agricola has no interest in the material tenements, the subject of the Report; Agricola is not a substantial creditor of an interested party or has a financial interest in the outcome of the proposal.
- The Independent Technical Assessment and Valuation Report is prepared in return for professional fees of $12,500 plus GST based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.
- Agricola was commissioned in February 2018 by the Directors of Stanton International Securities Pty Ltd to provide an Independent Valuation Report on the Coal Assets at the Blackall Coal Project in Queensland held by East Energy.
- Agricola and Malcolm Castle has had no professional relationship with East Energy Ltd, Nobel Netherlands BV or their associates over the last three years and there are no discussions or agreements for future work.

Reasonableness Statement

The data used for the technical assessment comprises mainly public company announcements, annual reports, and statutory technical reports.

This technical assessment complies with the VALMIN Code (2015 Edition) in its entirety. The author has taken due note of Regulatory Guide (RG) 111 "Content of Expert Reports" (October 2020) and RG 112 "Independence of Experts" (March 2011) promulgated by the Australian Securities and Investments Commission (ASIC) and this report meets or exceeds the guidelines set out in RG 111 and RG 112.

In undertaking this technical assessment Agricola has reviewed the technical aspects pertaining to the projects in an impartial, rational, realistic, and logical manner. Agricola believes that the inputs, assumptions, and overall technical assessment is in line with industry standards and meet the *Reasonable Grounds* Requirement of the VALMIN Code 2015.

The Project is classified as Pre-Development Project where significant historical exploration has been carried out and Coal Resources estimated in accordance with the JORC Code 2004 and 2012. The mineral properties are considered prospective, although subject to varying degrees of risk, and warrant further exploration and development of their economic potential.

Consent

For the purposes of the Corporations Act 2001, Agricola Mining Consultants Pty Ltd consents to the inclusion of this Independent Valuation Report in the form and context as set out in the formal agreement with BDO.

Agricola provides its consent on the understanding that the assessment expressed in the individual sections of this report will be considered with, and not independently of, the information set out in full in this Report. Agricola consents to the use and reliance upon this specialist technical assessment report on the Mineral Assets in preparation of an Independent Expert's Report if appropriate. Agricola has no reason to doubt the authenticity or substance of the information provided.

Agricola Mining Consultants Pty Ltd has not withdrawn this consent prior to the lodgement of the Report.

Yours faithfully

Malcolm Castle
B.Sc.(Hons) MAusIMM, GCertAppFin (Sec Inst)
Agricola Mining Consultants Pty Ltd

EAST ENERGY RESOURCES LIMITED

LODGE YOUR PROXY APPOINTMENT ONLINE

ONLINE PROXY APPOINTMENT
www.advancedshare.com.au/investor-login

MOBILE DEVICE PROXY APPOINTMENT
Lodge your proxy by scanning the QR code below, and enter your registered postcode.
It is a fast, convenient and a secure way to lodge your vote.

2021 GENERAL MEETING PROXY FORM

I/We being shareholder(s) of East Energy Resources Limited and entitled to attend and vote hereby:

STEP 1

APPOINT A PROXY

☐ The Chair of the Meeting **OR** _____

PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held **at Consilium Corporate Office, Level 2, 22 Mount Street, PERTH WA on 21 May 2021 at 11:30am(WST)** and at any adjournment or postponement of that Meeting.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES:
The Chair intends to vote undirected proxies in favour of the Resolution. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

STEP 2

VOTING DIRECTIONS

Resolution		For	Against	Abstain*
1	Approval of Maylion Acquisition	☐	☐	☐

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address _____

☐ Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PLEASE NOTE: If you appoint the Chair as your proxy (or if he is appointed by default) but do not direct him how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as he sees fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance to Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:
Where the holding is in one name, the security holder must sign.

Joint Holding:
Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:
If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:
Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11:30am(WST) on 19 May 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.

ONLINE PROXY APPOINTMENT
www.advancedshare.com.au/investor-login

BY MAIL
Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909

BY FAX
+61 8 6370 4203

BY EMAIL
admin@advancedshare.com.au

IN PERSON
Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009

ALL ENQUIRIES TO
Telephone: +61 8 9389 8033