

ASX Code: EFE

Issued Capital:
901,377,389

Directors

Eddie King (Non-executive
Chairman)

Jason Hou (Non-executive
Director)

Myles Fang (Non-executive
Director)

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HIGHLIGHTS

- **Mining Study of the Nowa Nowa Iron Project delivers encouraging results**
- **MOU executed with Pentarch to export Nowa Nowa Iron products from the Port of Eden**
- **Heads of Agreement executed for an option to acquire the Trigg Hill Lithium Tantalum Project**
- **MOU executed with Ya Hua International Investment and Development Co. Ltd. for a strategic partnership to acquire and develop lithium projects**
- **Completion of approximately A\$3.57 million placement**

Eastern Iron Limited (“Eastern Iron” or the “Company”) is pleased to report on activities undertaken during the quarter ended 30 September 2021.

Nowa Nowa Iron Project

During this quarter, the Company focused on updating the existing Definitive feasibility Study (the “DFS”) of Nowa Nowa Iron Project (the “Project”) which was completed in 2014.

Mining

The mining study (“**Mining Study**”) of the Project was completed by Mining One Pty Ltd (“**Mining One**”) with encouraging results.

The Mining Study identified potential economic open pit operation, considering the extraction of estimated mineral resource and is based on the sale of a DSO product to be produced from the Project.

No upgrade of the mined product is to be carried out other than crushing and screening of the ore.

Mining One conducted pit optimisation considering measured and indicated material as the base case for the study. In addition, optimisations considering measured, indicated and inferred material were also conducted, representing a potential upside case for the project.

A mining cost estimate has been developed from first principles by Mining One, based on open pit, conventional drill and blast, truck and excavator fitch mining, based on a contractor mining operation with information from operations of similar size and nature from Mining One's internal database.

The Mining Study concluded that under the current assumptions summarised above, the Five Mile Deposit demonstrates potential to be a viable proposition where further study is warranted.

Beneficiation Testwork

The Company completed further beneficiation testwork ('Testwork') carried out by ALS Metallurgy on July 2021 (refer to the Company Announcement dated 26 July 2021¹). The objective of this testwork was to determine the product specification of magnetite concentrates produced from Nowa Nowa DSO through Wet LIMS. The Testwork shows high-quality magnetite concentrates could be produced from the Project by conventional wet low intensity magnetic separation ("LIMS").

A composite sample was prepared at 50.4% Fe, 15.00% SiO₂, 2.59% Al₂O₃, and 0.03% P, which is in the range of iron content of the proposed DSO products for export from the Five Mile deposit. Drill core samples were collected from drill holes completed by Eastern Iron during resource drilling at Five Mile deposit in 2013.

The samples were tested by DTW at grind sizes of 80% passing 106, 75, and 45 micron, with the results summarised below.

DTW Conc.		Fe	SiO ₂	Al ₂ O ₃	P	S	Fe Rec%
		(%)	(%)	(%)	(%)	(%)	(%)
Composite	106 micron	64.7	5.91	0.65	0.011	0.16	69.3
Composite	75 micron	68.1	3.68	0.25	0.007	0.038	68.0
Composite	45 micron	69.0	2.94	0.23	0.006	0.023	67.3

Table 1. Analysis of DTW magnetite concentrates at 106, 75 and 45 micron grind.

The samples were also treated by wet magnetic separation at grind sizes of 80% passing 45 micron and at 1100 gauss.

Wet LIMS Conc.		Fe	SiO ₂	Al ₂ O ₃	P	S	Fe Rec%
		(%)	(%)	(%)	(%)	(%)	(%)
Composite	45 micron	68.9	2.97	0.23	0.008	0.022	67.4

Table 2. Analysis of Wet LIMS magnetite concentrates at 45 micron grind.

Proposed Processing and On-Site Infrastructure

The proposed Project operations will process mined ore on site via crushing and screening to produce a magnetite DSO product @ 50% Fe. No on-site beneficiation will be employed which was considered in the DFS in 2014. As such, a magnetic separation plant is not required which will not only reduce the footprint of on-site infrastructure but it will also reduce initial capital expenditure and operating costs for ore processing.

Port of Eden

The Port of Eden (**'Port'**) is located in NSW, approximately 234km from the Project. The Port can accommodate P-Panamax vessels with up to 75,000 MT intake, with the existing conveying and ship loading systems used to export forestry products.

After the Company and Pentarch have completed assessment of the potential to export the Product from the Port of Eden, the Company executed a non-binding Memorandum of Understanding (**"MOU"**) with Pentarch Logistics Pty Ltd (Pentarch) to export the Product using the port facilities at the Port of Eden operated by Pentarch (refer to the Company Announcement dated 11 August 2021). Both parties will enter into negotiations to finalize a binding commercial agreement.

Trigg Hill Lithium Tantalum Project

On August, the Company has entered into a binding Heads of Agreement (**"HOA"**) with Amery Holdings Pty Ltd (**"Amery"**) for an option to acquire a 100% interest in the Trigg Hill Lithium Tantalum Project (**"Trigg Hill"**) (Refer to the Company Announcement dated 4 August 2021¹). Trigg Hill is strategically located in the Shaw River district, Pilbara, that is approx. 75km SE of Pilbara's Minerals' (ASX: PLS) wholly-owned Pilgangoora Lithium-Tantalum mine. The Project comprises 1 Exploration Licence Application (ELA 45/5728) except for one excised mining lease (M 45/1267). The ELA is expected to be granted in December quarter 2021.

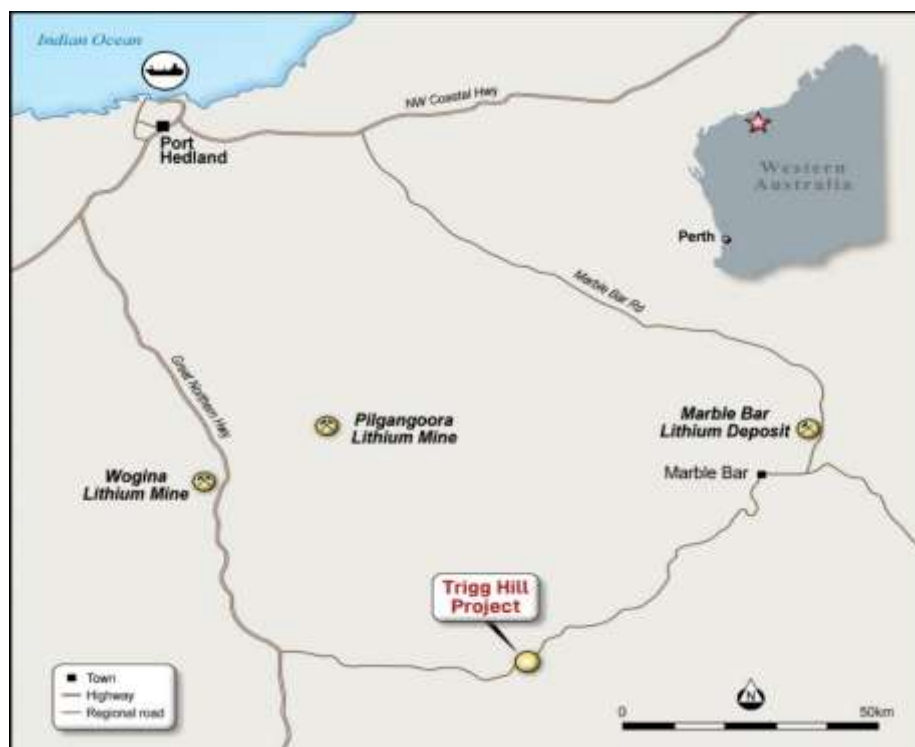


Figure 1: Location of Trigg Hill

There are hundreds of pegmatite outcrops within the greenstones within the Trigg Hill to Curlew greenstone area covering about 5km², most of these are small to medium in size however potential for larger LCT pegmatite bodies particularly in areas of folded or faulted greenstones such as at Trigg Hill. The pegmatites have potential for tantalum, REO, lithium and tin. The larger zoned LCT pegmatites will be more prospective for the presence spodumene whilst lepidolite can occur in narrow dykes.

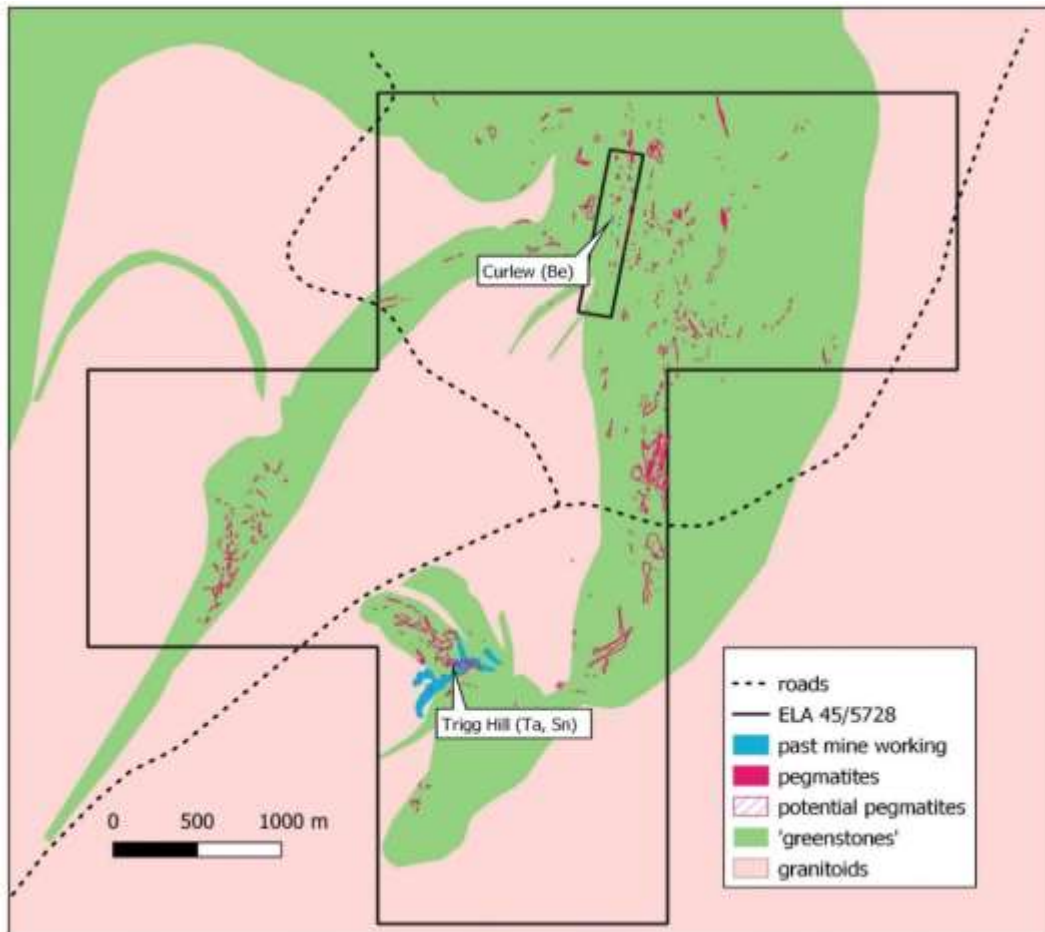


Figure 2: Simplified Geology with known and potential pegmatites

Radiometrics (U) can be used to locate larger tantalum pegmatites within greenstone host, some indications of subsurface pegmatites already located (refer figures 3).

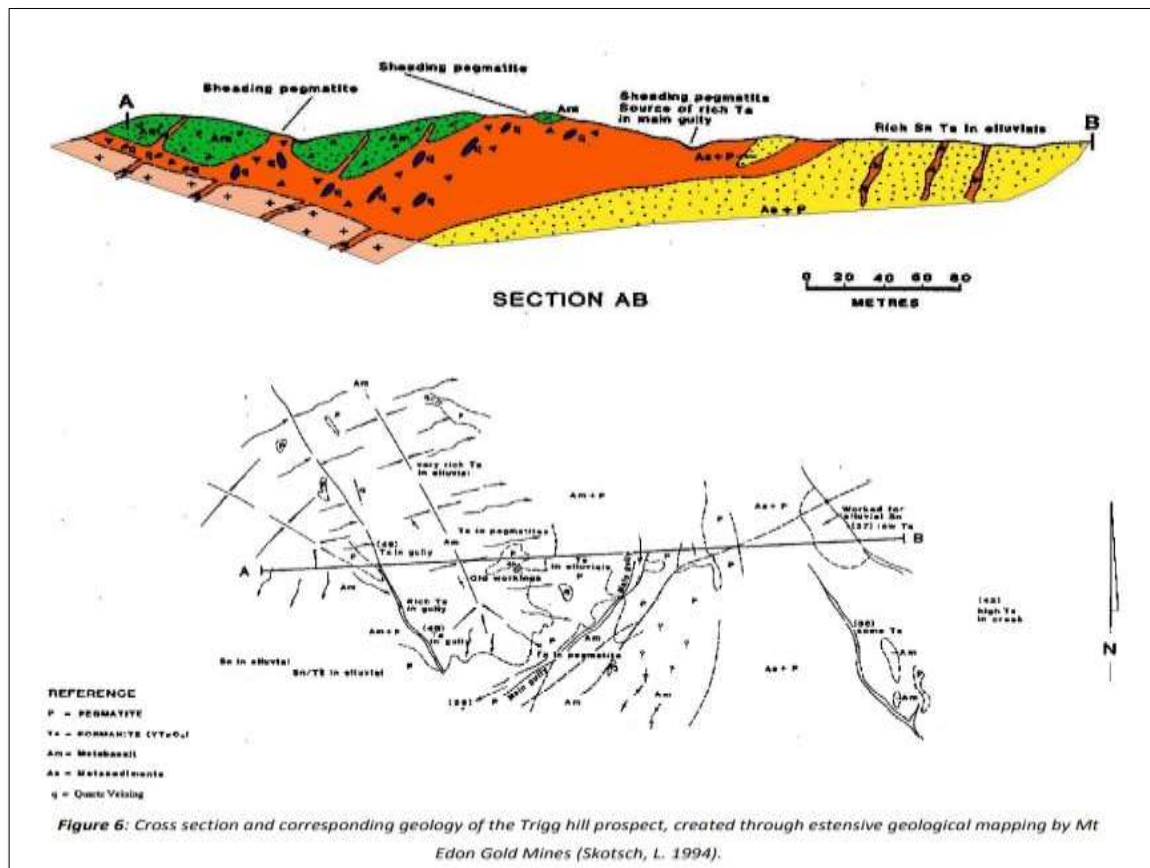


Figure 3: Interpretation of main Trigg Hill LCT Pegmatite (Skotsch, L. 1994)

Commercial Terms

The Company entered into a binding Heads of Agreement (“HOA”) to acquire a 100% interest in the Project (“**Tenement**”) and all environmental approvals, authorisations, mining information, and other assets relating to the Tenements owned by Amery on the key terms as follows:

- The Company pay Amery a cash option fee of \$10,000 (excluding GST) (“Cash Option Fee”) and issue Amery \$20,000 worth of fully paid ordinary shares in the Company (“**Shares**”), within 7 days of the date when the Tenement is granted (“**Grant Date**”), to earn an option for 12 months from the Grant Date.
- The Company has right to extend option period in 12 month intervals on up to 3 occasions by giving written notice to the Vendor at any time prior to its expiry and payment of a fee of \$15,000 at the Company’s election by cash or Shares or a combination of both.
- The Company can exercise the option to acquire a 100% interest in the Project during the option period to complete the transaction (“**Completion**”), by paying Amery \$250,000 in cash, and either \$500,000 in cash or \$500,000 in Shares.
- The Company must complete a minimum of 800 metres of drilling on the Tenement within 15 months of the Grant Date.
- The Company agrees to pay a royalty payment to Amery equivalent to the value of 1.5% of net smelter return on all minerals produced from the Tenements.

- The Company agrees to grant Amery a call option to acquire the whole of the Company's interest in the Tenement for the nominal consideration of \$1 in cash if the Company wishes to relinquish the Tenement after the Completion.
- The Company agrees to engage Mr Mark Caledorwood, via Amery, as a consultant.

Nowa Nowa Copper Project

The Company is waiting for the response from the Victorian Department of Jobs, Precincts and Regions (“DJPR”) for a revised Work Program of drilling proposal for Nowa Nowa Copper Project EL 006183. The work programme is planned to be commenced after the Company receives approval from DJPR.

MOU with Yahua to Acquire and Develop Lithium Projects

On 6 September, the Company executed a non-binding Memorandum of Understanding with Ya Hua International Investment and Development Co. Ltd (“**Yahua**”), a wholly subsidiary of Sichuan Yahua Industrial Group Co. Ltd (“**Yahua Group**”), to form a strategic partnership for acquisition and development of lithium projects, on the key terms as follows:

- Yahua and the Company to enter into a Strategic Partnership Agreement within 3 months of execution of the Memorandum of Understanding, for the establishment of a long-term strategic partnership for the supply of spodumene concentrates and the potential acquisition and development of lithium projects in Australia and in other countries, except China;
- Yahua and the Company to enter a joint venture (“**JV**”) for the acquisition and development of lithium projects in Australia and in other countries except China. The JV will be established prior to the Company acquiring a Lithium Project or when the Company completes an agreed amount of work on a Lithium Project;
- On completion of the Company's acquisition of the Trigg Hill Lithium Tantalum Project (“**Trigg Hill**”) and the definition of an initial exploration target for Trigg Hill, the parties intend to establish a joint venture for the exploration and development of Trigg Hill; and
- Yahua will be granted a first right of refusal for product offtake from any of the JV projects including the Trigg Hill.

Capital Raising

In September, the Company completed a \$2.52 million placement to sophisticated and professional investors at an issue price of \$0.023 per share with free attaching options on the basis of one option for every five shares issued. (Refer to the Company Announcement dated 17 September 2021).

The Company executed a Subscription Agreement for strategic placement of approximately \$1.05 million to Yahua of 45,500,000 fully paid ordinary shares (“**Yahua Shares**”) at an issue price of \$0.023, and 9,100,000 options exercisable at \$0.012 each and expiring on 31 January 2023 on the basis of one option for every five shares issued. In October, Yahua completed the placement and now Yahua has an interest in 45.5 million shares in the Company, representing a relevant interest in 5.05% in the Company.

The funds raised funded the development and exploration activities at Nowa Nowa Iron Project and Nowa Nowa Copper Project, the exploration activities at Trigg Hill Project conditional on acquisition and for general working capital.

Corporate

Director Appointment and Resignation

In September, Mrs Therese-Marie Taylor has resigned from the Board, to focus on her other interests. The Company thanks her sincerely for her contribution over the past 4 years.

Mr Jason Hou was appointed to the Board as a Non-executive Director. Mr Hou's skills and experience are a good and appropriate fit within the matrix of skills required by the Board.

MOU with Yahua to Acquire and Develop Lithium Projects

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- On completion of the Company's acquisition of the Trigg Hill Lithium Tantalum Project ("**Trigg Hill**") and the definition of an initial exploration target for Trigg Hill, the parties intend to establish a joint venture for the exploration and development of Trigg Hill; and
- Yahua will be granted a first right of refusal for product offtake from any of the JV projects including the Trigg Hill.

New Project Search and Potential Acquisition

A number of projects have been evaluated by the Company during the quarter, and the Company is in commercial discussions with various parties.

Financial Position

The cash and cash equivalents at the end of the quarter was \$3,692,000.

Related Party Payments

During the quarter the Company made related party payments, at normal commercial rates, of \$57,000 for Directors Fees.

Tenement Schedule

Tenement	State	Tenement Number	Interest	Holder
Nowa Nowa EL	Victoria	EL006183	100%	Gippsland Iron Pty Ltd
Tara EL Application	Victoria	EL005545	100%	Gippsland Iron Pty Ltd
Five Mile RL Application	Victoria	RL006488	100%	Gippsland Iron Pty Ltd

EL: Exploration Licence RL: Retention Licence

Gippsland Iron Pty Ltd is a wholly owned subsidiary of Eastern Iron.

Investor Information

Further information, previous Eastern Iron announcements and exploration updates are available at the News and Reports tab on the Company's website – www.easterniron.com.au

Authorisation

This announcement has been authorised for release by the Board of Directors in accordance with the requirements of the Company's Continuous Disclosure Policy.

Mr Myles Fang
Non-executive Director
T: 02 9906 7551

For enquiries on your shareholding or change of address please contact:
 Boardroom Limited, GPO Box 3993, Sydney NSW 2001, Phone: (02) 9290 9600

¹ The Company confirms that it is not aware of any new information or data that materially impacts the information included in its ASX announcement of 26 July 2021 and of 4 August 2021 and of 11 August 2021 and that all material assumptions and technical parameters underpinning the estimates included in this ASX announcement continue to apply and have not materially changed.

Appendix 5B

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

Name of entity

Eastern Iron Limited

ABN

70 126 678 037

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(63)	(63)
(e) administration and corporate costs	(60)	(60)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
➤ Security deposit paid	-	-
1.9 Net cash from / (used in) operating activities	(123)	(123)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(40)	(40)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(40)	(40)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,518	2,518
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	8	8
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(167)	(167)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,359	2,359

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,496	1,496
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(123)	(123)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(40)	(40)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,359	2,359

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,692	3,692

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,692	1,496
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,692	1,496

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1 *
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2 *

Current quarter \$A'000
53
4

* Directors fees, consultancy fees and corporate advisory fees at normal commercial rates.

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(123)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(40)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(163)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3,692
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	3,692
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	22.6

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

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

28 October 2021

Date:

Ian White (Company Secretary)

Authorised by:

(Name of body or officer authorising release – see note 4)

Notes

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

Eastern Iron Limited
Schedule of Tenements as at 30 September 2021

Tenement	Tenement No.	Interest	Joint Venture Details
VICTORIA			
Nowa Nowa EL	EL 006183	100%	Note 1
Tara EL Application	EL 5545	100%	Note 1
Five Mile RL Application	RL006488	100%	Note 1

EL = Exploration Licence

RL = Retention Lease

Notes:

1. Held by Gippsland Iron Pty Ltd a wholly owned subsidiary of Eastern Iron.