



East Energy Resources Limited

ABN 66 126 371 828

Interim Financial Report

31 December 2021

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Corporate Directory

DIRECTORS

Mr James Newbury (Managing Director and Executive Chairman)

Mr Bryan Duncan (Executive Director)

Mr Ranko Matic (Non-Executive Director)

JOINT COMPANY SECRETARIES

Mr Ranko Matic

Ms Andrea Betti

REGISTERED OFFICE

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Automic Pty Ltd

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PERTH WA 6000

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Directors' Report

Your directors present their report together with the half-year financial report on the Group consisting of East Energy Resources Limited ("EER" or "the Company") and the entity it controlled ("the Group") at the end of, or during the half-year ended 31 December 2021.

Directors

The directors in office at the date of this report and at any time during the half-year are as follows:

Mr James Newbury	Managing Director and Executive Chairman
Mr Ranko Matic	Non-Executive Director and Company Secretary
Mr Bryan Duncan	Executive Director
Mr Grant Ferguson	Executive Director (resigned 17 December 2021)
Mr Stephen Ross	Non-Executive Director (resigned 20 December 2021)
Mr Alastair Smith	Non-Executive Director (appointed 12 July 2021 and resigned 17 December 2021)

Review of Operations

Principal Activities

The principal activity of the Group for the half-year was mineral exploration. There were no significant changes in the nature of the Group's principal activities during the half-year.

Results

The consolidated net loss of the Group after income tax for the half-year ended 31 December 2021 amounted to \$164,699 (2020: profit of \$6,249,880).

Dividends Paid or Recommended

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Exploration

BLACKALL COAL PROJECT

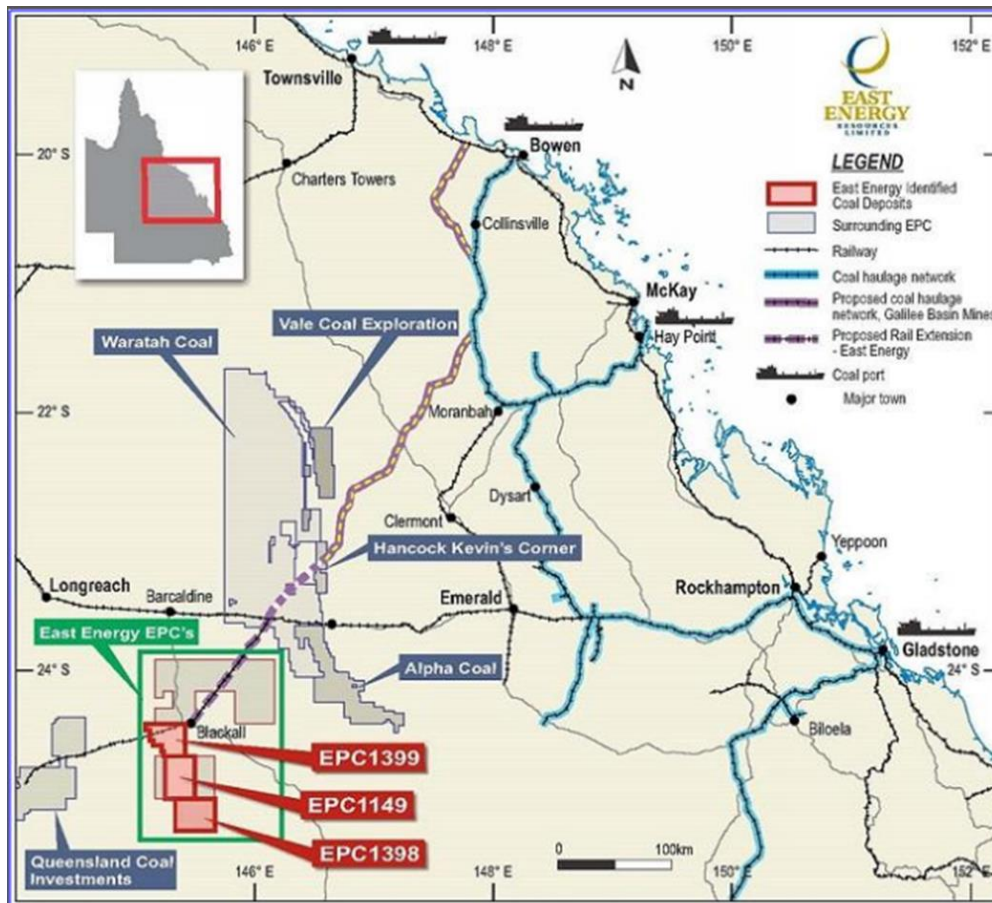
The Blackall Project consists of three main coal resource areas within MDL464, EPC1398 and EPC1399. It is located immediately to the south of the township of Blackall in central western Queensland.

These permits host a combined JORC Total Coal Resource Estimate of 3.44 billion tonnes of thermal quality coal.

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.

Alternative strategies for development of the resource continue to be considered.

The Board continues to appraise the market outlook for thermal coal and monitor the rail and port infrastructure commitments by Galilee Basin projects, their impact on the potential development of the Blackall Project, as well as investigate and assess any other potential strategic opportunities available.



GOMAC STUDY

The Company announced on 6 October 2021 that as part of its ongoing efforts to explore strategies for the development of its Blackall Coal Project, it had engaged GOMAC Projects Pty Ltd ('GOMAC') to conduct a concept study to fully assess all available strategic options and opportunities to develop the Blackall Project.

GOMAC specialises in hydro-carbon project development and has extensive experience in undertaking preliminary studies and planning for a diverse portfolio of large and complex energy, infrastructure, and resources projects both in Australia and globally.

The objectives of the study are to identify a commercially viable route for EER to convert its coal resource into the following potential production opportunities:

- Synthetic natural gas (SNG)
- Hydrogen (H2)
- Coal to fertilisers (CTF)
- High energy, low emission (HELE) power
- Coal to liquids (CTL)
- Coal to chemicals (CTC)
- Combinations of the above

All of the above potential opportunities provide for carbon capture and sequestration/storage (CCS) to enable the Blackall Project to continue to progress with minimal carbon dioxide emission risks.

Corporate

Board Changes

On 12 July 2021, Mr. Alastair Smith was appointed to the Board as a Non-Executive Director and subsequently resigned from the Board on 17 December 2021.

On 20 December 2021 the Company announced the resignations of Mr Grant Ferguson (Executive Director) and Mr. Stephen Ross (Non-Executive Director).

The Board currently comprises Mr. James Newbury (Executive Chairman / Managing Director), Mr. Bryan Duncan (Executive Director) and Mr. Ranko Matic (Non-Executive Director).

Voluntary Suspension

The Company was first placed into voluntary suspension on 17 September 2020, which has subsequently been extended a number of times. During the quarter the voluntary suspension was further extended to 31 May 2022. The Company continues to engage with the ASX on the conditions for reinstatement and will provide shareholders with an update by way of further ASX announcements.

Loan Facility

On 2 December 2021 the Company advised that it had entered into a \$200,000 unsecured loan facility with Cavalier Corporate Pty Ltd for working capital purposes. The Company is using the loan facility to fund working capital purposes and ongoing compliance costs to support the Company whilst it continued to work through various commercial matters in relation to a possible recapitalisation. Cavalier Corporate Pty Ltd is a Company controlled by Mr. Ranko Matic who is a director and Company secretary of East Energy Resources Limited and is therefore a related party of the Company. The loan is interest free and repayable to the Lender when the Group has surplus cash to meet the payment obligations.

Strategic Opportunities

During the half-year, the Company continued to focus on reviewing new opportunities to enhance its project portfolio and increase the overall value proposition of EER and continued to review strategic options for development of the Blackall Project.

The Company also continued to appraise the market outlook for thermal coal and monitor the rail and port infrastructure commitments by Galilee Basin projects and their impact on the potential development of the Blackall Project.

Directors' Report continued

Competent Persons Statement – EPC 1399 Resources

The information in this report relating to estimates of Mineral Resources within EPC1399, is based on information compiled by Mr Peter Tighe who is a member of the Australian Institute of Mining and Metallurgy. Mr Tighe is a geological consultant to East Energy Resources Limited. Mr Tighe has had over 30 years' experience in exploration, mining and resource evaluation and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tighe consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

Competent Persons Statement – EPC 1398 Resources

The information in this announcement relating to the estimates of Mineral Resources within EPC 1398 is based on the 2004 JORC code and information reviewed by Mr Bill Knox, who is a Member of The AusIMM. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Knox has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Knox consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Competent Persons Statement – EPC 1149 Resources

The Coal Resource estimation for the Blackall Project (EPC 1149) presented in this announcement has been carried out in accordance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004) and the Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves, 2003. The information in the announcement to which this statement is attached, that relates to East Energy's Blackall Coal Resource on EPC 1149 is based on information reviewed by Dr Gerard McCaughan, who is a Member of The AusIMM and is a full time employee of SRK. . This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Dr McCaughan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Dr McCaughan consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Competent Persons Statement – Exploration Targets

The information in this announcement relating to Exploration Targets within EPC 1398 and EPC 1399 is based on information compiled by Mr Peter Tighe who is a Member of The AusIMM and a geological consultant to East Energy Resources Ltd. Mr Tighe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tighe consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

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

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

Events After the Balance Sheet Date

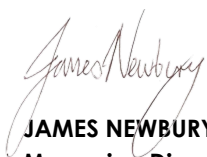
Whilst exploration activities have been able to continue, the impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by the Australian Government, and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is included within this financial report for the half-year ended 31 December 2021.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.



JAMES NEWBURY

Managing Director and Chairman

DATED at PERTH this 16th day of March 2022

Criterion Audit Pty Ltd

ABN 85 165 181 822

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Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of East Energy Resources Limited and its controlled entity for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Criterion Audit Pty Ltd

CRITERION AUDIT PTY LTD
Chartered Accountants

Elizabeth Louwrens

ELIZABETH LOUWRENS CA
Director

DATED at PERTH this 16th day of March 2022

Consolidated Statement of Profit or Loss and other Comprehensive Income

for the half year ended 31 December 2021

	Notes	Consolidated	
		31.12.2021 \$	31.12.2020 \$
Other income		3	132
Audit fees		(7,139)	(5,153)
Insurance		(26,774)	(17,917)
Professional fees		(4,500)	-
Share registry costs		(10,160)	(2,371)
ASX fees		-	(15,905)
Directors salary and fees		(27,000)	(82,383)
Employee benefits expenses		(25,440)	(25,326)
Interest expense		-	(91,392)
Impairment loss of exploration assets	4	-	(130,214)
Reversal of impairment loss of exploration assets	4	-	6,627,545
Other expenses		(63,659)	(7,136)
(Loss)/profit before income tax		(164,669)	6,249,880
Income tax expense		-	-
Net (loss)/profit for the half-year attributable to the members of East Energy Resources Limited		(164,669)	6,249,880
Other comprehensive income		-	-
Total comprehensive (loss)/profit for the half-year attributable to the members of East Energy Resources Limited		(164,669)	6,249,880
Basic and diluted (loss)/profit per share (cents per share) attributable to the members of East Energy Resources Limited		(0.005)	0.195

The accompanying notes form part of these interim financial statements.

Consolidated Statement of Financial Position

as at 31 December 2021

	Notes	Consolidated	
		31.12.2021	30.06.2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		46,511	159,586
Trade and other receivables		5,535	7,627
Other assets		37,804	55,443
TOTAL CURRENT ASSETS		89,850	222,656
NON CURRENT ASSETS			
Tenement works bonds		29,500	29,500
Exploration, evaluation and development expenditure	4	12,593,345	12,423,548
TOTAL NON CURRENT ASSETS		12,622,845	12,453,048
TOTAL ASSETS		12,712,695	12,675,704
CURRENT LIABILITIES			
Trade and other payables		13,773	12,493
Provisions		3,228	2,848
TOTAL CURRENT LIABILITIES		17,001	15,341
NON CURRENT LIABILITIES			
Borrowings	5	200,000	-
TOTAL NON CURRENT LIABILITIES		200,000	-
TOTAL LIABILITIES		217,001	15,341
NET ASSETS		12,495,694	12,660,363
EQUITY			
Issued capital		86,901,419	86,901,419
Accumulated losses		(74,405,725)	(74,241,056)
TOTAL EQUITY		12,495,694	12,660,363

The accompanying notes form part of these interim financial statements.

Consolidated Statement of Changes in Equity

for the half year ended 31 December 2021

	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
Balance as at 1 July 2020	86,901,419	(82,415,154)	4,486,265
Net profit for the half-year	-	6,249,880	6,249,880
Other comprehensive income	-	-	-
Total comprehensive profit for the half-year	-	6,249,880	6,249,880
Transactions with Equity Holders in their capacity as Equity Holders	-	-	-
Balance at 31 December 2020	86,901,419	(76,165,274)	10,736,145

	Issued Capital	Accumulated Losses	Total Equity
	\$	\$	\$
Balance as at 1 July 2021	86,901,419	(74,241,056)	12,660,363
Net loss for the half-year	-	(164,669)	(164,669)
Other comprehensive income	-	-	-
Total comprehensive loss for the half-year	-	(164,669)	(164,669)
Transactions with Equity Holders in their capacity as Equity Holders	-	-	-
Balance at 31 December 2021	86,901,419	(74,405,725)	12,495,694

The accompanying notes form part of these interim financial statements.

Consolidated Statement of Cash Flows

for the half year ended 31 December 2021

	Notes	Consolidated	
		31.12.2021	31.12.2020
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		3	132
Payments for exploration, evaluation and development		-	(118,536)
Payments to suppliers and employees		(140,314)	(146,487)
Net cash outflows used in operating activities		(140,311)	(264,891)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration, evaluation and development		(172,764)	-
Net cash outflows from investing activities		(172,764)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		200,000	-
Net cash inflows from financing activities		200,000	-
Net decrease in cash and cash equivalents		(113,075)	(264,891)
Cash and cash equivalents at 1 July		159,586	807,693
Cash and cash equivalents at 31 December		46,511	542,802

The accompanying notes form part of these interim financial statements.

Notes to the Consolidated Financial Statements

for the half year ended 31 December 2021

NOTE 1. BASIS OF PREPARATION OF HALF-YEARLY REPORT

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, this interim financial report is to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made by East Energy Resources Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2021.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

New and revised Accounting Standards

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

Reporting Basis and Conventions

The half-year financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As disclosed in the financial report, the Group incurred a net loss after tax of \$164,669 and had net cash outflows from operating activities and investing activities of \$140,311 and \$172,764 respectively. As at 31 December 2021, the Group had a working capital position of \$72,849. The Group has tenement rental and exploration commitments payable not later than 12 months after balance date of \$167,192.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report due to the following factors:

- the Group has the ability to scale down its operations in order to curtail expenditure, in the event capital raisings are delayed or insufficient cash is available to meet projected expenditure;
- the Directors are confident the Group will be successful in sourcing further capital from the issue of additional equity securities under the *Corporations Act 2001* to fund the ongoing operations and projects; and
- the Group has obtained a letter of financial support from Cavalier Corporate Pty Ltd ATF the Cavalier Trust ("Cavalier") confirming that the loan will not be called upon for a period of at least 12 months from the date of signing this report, unless the Group has surplus cash to meet the payment obligation. Further, Cavalier and Maylion Pty Ltd, the Company's major shareholder, confirmed they will continue to support the Group by providing adequate financial assistance if required for working capital purposes.

Notes to the Consolidated Financial Statements *continued*

for the half year ended 31 December 2021

NOTE 1. BASIS OF PREPARATION OF HALF-YEARLY REPORT (*continued*)

Going Concern (*continued*)

Based on the factors outlined above, the Directors are satisfied that the going concern basis of preparation is appropriate.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Significant Accounting Judgements

In the process of applying the Group's accounting policies, management has the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of Exploration and Evaluation Expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the areas of interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

Significant Accounting Estimates and Assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of Capitalised Exploration and Evaluation Expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

The Group arranged for an internal valuation for management purposes by an external third-party consultant in August 2021 and the valuation range was \$12.4m to \$16.7m with a preferred value of \$14.6m for the exploration assets. The Board has performed an internal assessment of this valuation for the half-year, and noted the improved market conditions, including the price of thermal coal increasing from US\$129.37/t in June 2021 to US\$169.5/t in December 2021.

The Group has determined that the carrying value of the exploration asset of \$12.5 million remains appropriate and in line with the recent valuation. As a result, no impairment has been recognised during the half-year ending 31 December 2021.

Notes to the Consolidated Financial Statements continued

for the half year ended 31 December 2021

NOTE 2. EVENTS SUBSEQUENT TO REPORTING DATE

Whilst exploration activities have been able to continue, the impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by the Australian Government, and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

NOTE 3. CONTINGENT ASSETS AND LIABILITIES

There have been no changes in contingent assets and liabilities since the last annual reporting date.

NOTE 4. EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

	31.12.2021	30.06.2021
	\$	\$
Opening balance	12,423,548	5,700,000
Exploration expenditure incurred	169,797	226,217
Impairment loss of exploration assets	-	(130,214)
Reversal of impairment loss of exploration assets	-	6,627,545
Closing balance	12,593,345	12,423,548

NOTE 5. NON CURRENT LIABILITIES

Borrowings

During the half-year, the Group entered into a loan agreement with Cavalier Corporate Pty Ltd ("Lender"). The Lender agrees to provide a loan facility to the Group of \$200,000 interest free and repayable to the Lender when the Group has surplus cash to meet the payment obligations. The loan is provided on an unsecured basis. The Group is using the loan facility to fund working capital purposes and ongoing compliance costs to support the Group whilst it continued to work through various commercial matters in relation to a possible recapitalisation. Cavalier Corporate Pty Ltd is a Company controlled by Mr. Ranko Matic who is a director and company secretary of East Energy Resources Limited and is therefore a related party of the Group.

	31.12.2021	30.06.2021
	\$	\$
Opening balance	-	2,065,973
Drawings during the half-year	200,000	-
Accrued interest during the half-year	-	165,104
Forgiveness of debt	-	(2,231,077)
Closing balance	200,000	-

Notes to the Consolidated Financial Statements continued

for the half year ended 31 December 2021

NOTE 6. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any operating segments with discrete financial information. The Group does not have any customers at this stage, and all the Group's assets and liabilities are located within Australia. The Board of Directors review internal management reports that are consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

NOTE 7. COMMITMENTS

Tenement rental and expenditure commitments

The Group is required to maintain current rights to tenure to tenements, which require outlays of expenditure. A tenement will be liable to forfeiture if the expenditure conditions, specified within the terms of the grant are not complied with. The Group has a 100% share of tenements rental and expenditure commitments of:

	31.12.2021	30.06.2021
	\$	\$
Payable:		
- Not later than 12 months	167,192	197,368
- Between 12 months and 5 years	221,797	333,812
- Greater than 5 years	-	-
	<u>388,989</u>	<u>531,180</u>

Directors' Declaration

In the directors' opinion:

- (a) the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors made pursuant to s303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors,



James Newbury

Managing Director and Chairman

DATED at PERTH this 16th day of March 2022

Criterion Audit Pty Ltd

ABN 85 165 181 822

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LEEDERVILLE WA 6007

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Independent Auditor's Review Report

To the Members of East Energy Resources Limited

Conclusion

We have reviewed the half-year financial report of East Energy Resources Limited ("the Company") and Controlled Entity ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of East Energy Resources Limited and its Controlled Entity does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Emphasis of Matter

Without modifying our opinion above, we draw attention to Note 1 to the half year report, which indicates that the Group incurred a net loss after tax of \$164,669 and had net cash outflows from operating activities and investing activities of \$140,311 and \$172,764 respectively. As at 31 December 2021, the Group had a working capital position of \$72,849. The Group has tenement rental and exploration commitments payable not later than 12 months after balance date of \$167,192. The ability of the Group to continue to pay its debts as and when they fall due is principally dependent upon the Company successfully raising additional share capital, full or partial divestment of assets, ongoing financial support from the directors and/or containing expenditure in line with available funding.

Responsibility of the Directors for the Half-Year Financial Report

The Directors are responsible for the preparation of the half-year financial report that gives us a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Criterion Audit Pty Ltd

CRITERION AUDIT PTY LTD

ELIZABETH LOUWRENS

ELIZABETH LOUWRENS CA
Director

DATED at PERTH this 16th day of March 2022