

STRATEGIC PLACEMENT TO YAHUA AND EQUITY RAISING

Highlights

- Firm commitments received for a placement of approximately \$3.01 million.
- Includes strategic investment of \$2 million by strategic partner, Ya Hua International Investment and Development Co Ltd (“Yahua”).
- The placement will strengthen Eastern Resources position to accelerate the progress of existing projects.
- The placement provides financial commitment to Eastern Resources to acquire new lithium projects.

Eastern Resources Limited (“Eastern Resources” or the “Company”) is pleased to announce that Yahua has agreed to make a strategic investment of \$2 million in the Company. In addition, the Company has received commitments from new and existing sophisticated and professional investors for further investments of approximately \$1.01 million for a total capital raising of approximately \$3.01 million (“**Placement**”) before costs.

The Placement (for a total of 103,827,595 shares and 20,765,519 options) will be undertaken without shareholder approval using the Company’s existing placement capacity under Listing Rule 7.1. The Listing Rule 7.1A capacity will not be utilised. The Placement will be undertaken in two tranches as follows:

Yahua Placement

A placement to Yahua of 68,965,517 fully paid ordinary shares (“**Yahua Shares**”) at an issue price of \$0.029, and 13,793,103 free attaching options exercisable at \$0.05 each and expiring on 30 September 2025 (“**Yahua Options**”) on the basis of one option for every five shares issued.

The Yahua placement is subject to a subscription agreement (“**Subscription Agreement**”) that includes certain conditions precedent (“**Conditions**”) including, amongst other things, obtaining all necessary government regulatory approvals. The Conditions must be satisfied or waived by 30 October 2022.

Following satisfaction or waiver of the Conditions, and following receipt of the subscription amount, the Company will issue the Yahua Shares and Yahua Options to Yahua. As a consequence, Yahua will become a substantial shareholder of the Company holding a ~10% interest in the Company’s issued capital.

Sophisticated Investor Placement

A placement to sophisticated and professional investors of 34,862,078 fully paid ordinary shares (“**Investor Shares**”) at an issue price of \$0.029, and 6,972,416 free attaching options exercisable at \$0.05 each and expiring on 30 September 2025 (“**Investor Options**”) on the basis of one option for every five shares issued.

The Company has entered into firm commitments with a number of sophisticated and professional investors to place the Investor Shares.

It is expected that the Investor Shares and Investor Options will be issued on or about 3 October 2022.

Lead Manager

The Company has entered into a Lead Manager Mandate (“**Mandate**”) with CPS Capital Group Pty Ltd (ACN 088 055 636) (AFSL 294848) (“**CPS**”) Under the Mandate:

- CPS will be paid the following fees:
 - a Management Fee of 2%, plus GST; and
 - a Placing Fee of 4%, plus GST; and
- Subject to shareholder approval, CPS will be issued 3,755,001 options at an issue price of \$0.0001 per option, exercisable at \$0.05 each and expiring in 30 September 2025.

Purpose of the Capital Raising

The purpose of the capital raising is to raise funds for:

- Nowa Nowa Iron Project development
- Trigg Hill Lithium Project exploration
- Taylor Lookout Lithium Project exploration
- New lithium acquisition
- Working capital
- Costs of the offer

Executive Director Myles Fang commented:

“We are grateful for the ongoing support shown by our existing shareholders and welcome a number of new sophisticated investors. We are also delighted to have strengthened our partnership with Yahua with its further investment in Eastern Resources. We look forward to working with Yahua in executing on our plan for lithium project development and acquisition over the next few years.”

About Sichuan Yahua Industrial Group Co. Ltd.

Yahua Group is an A-share listed company on the Shenzhen-stock exchange in China, principally engaged in the manufacture and sales of civil explosive products and lithium salt products. Ya Hua International Investment and Development Co. Ltd is a wholly subsidiary of Sichuan Yahua Industrial Group Co. Ltd (“Yahua Group”).

Yahua Group is one of China’s major lithium hydroxide and lithium carbonate producers, with a production capacity of 43,000tpa lithium carbonate, lithium hydroxide and other lithium products, and is in expansion for a further 50,000tpa of lithium hydroxide and 1,000tpa of lithium metal by 2025.

Yahua Group has a strong customer base including Tesla, BYD Auto, Zhenhua E-Chem and Sinopec. Yahua is a wholly subsidiary of Yahua Group, and is a vehicle of Yahua Group engaged in investment.

Yahua is a shareholder of Core Lithium Ltd, and is a current major offtake customer of Allkem Ltd.



INVESTOR INFORMATION

Further information, previous Company announcements and exploration updates are available at the Investors tab on the Company's website – www.easternresources.com.au

This announcement has been authorised for release by the Board of the Company.

Eastern Resources Limited

Myles Fang
Executive Director

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For enquiries on your shareholding or change of address please contact:
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