

## **MARCH 2020**

# **QUARTERLY ACTIVITIES REPORT**

### **HIGHLIGHTS**

- *Company commenced renewal of EPC 1403 and EPC 1407 with both expected to be lodged with Department of Natural Resources, Mines and Energy (DNRME) in the June 2020 quarter*
- *All DNRME statutory reporting and rental payments are up to date and in compliance*
- *The Company continued to pursue alternative opportunities to develop the Blackall Coal Resource during the quarter*
- *The Company entered into a new intercompany loan agreement for \$500,000 with Noble Trading Co. Ltd*

### **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.<sup>Note 1</sup>

In addition, 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.<sup>Note 1</sup>

With the reduced demand for new sources of thermal coal the company has minimised its expenditure and has carried out no field work during the quarter. Alternative strategies for development of the resource continue to be considered.

Note 1. See ASX announcement dated 10 July 2014 - EER REPORTS 3.44 BILLION TONNE JORC RESOURCE – attached as “Annexure A”.

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

### **ASX: EER**

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

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

#### **Capital Structure**

Share Price: \$0.006

Market Cap: \$19.21m

Shares on Issue: 3,200,987,035

#### **Board of Directors**

Rex Littlewood  
Managing Director

Ranko Matic  
Non-Executive Director

Chris Thoroughgood  
Non-Executive Director

#### **Contact Us**

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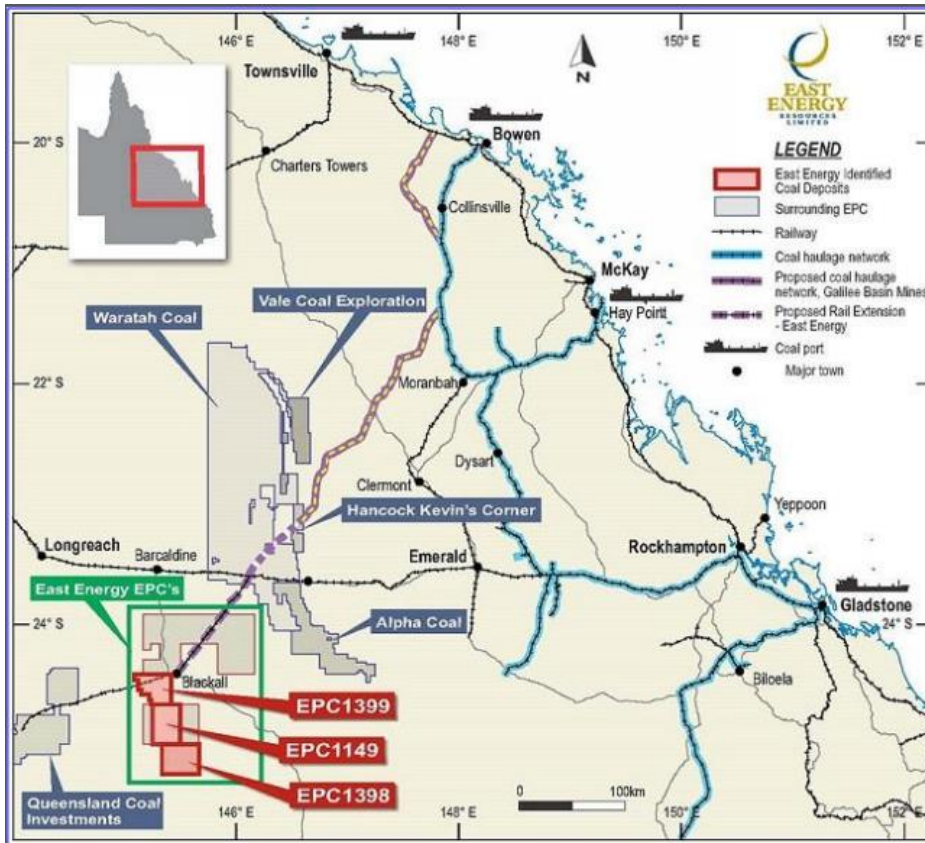
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**Figure 1: Blackall Project Location Map**

### Statutory Compliance and Reporting

All tenements remain in good standing with rents paid, statutory obligations complied with and the necessary government reports lodged on time. During the quarter, the Company commenced preparation of renewal of EPC 1403 and EPC 1407, with renewals for both of these tenements to be lodged with DNRME in the June 2020 quarter. EPC 1403 expires October 2020 and EPC 1407 expires August 2020.

During the quarter, the Company continued to assess the demand for thermal coal and the potential for further development of the coal resource within MDL 464 and the three EPCs covering the main body of the Blackall Coal Project.

The Board continues to monitor the progress of coal projects in the Galilee Basin and the proposed rail line for Adani's Carmichael Coal Mine, which will provide a crucial link for the future transport of coal from the Blackall Project.

## CORPORATE

During the quarter, the Company entered into an additional intercompany loan agreement for A\$500,000 with Noble Trading Co Limited (**Noble**, a 93.42% shareholder of the Company, via its subsidiary Maylion Pty Ltd). The Company will use the A\$500,000 for working capital purposes. Key terms of the loan facility include an interest rate of 9.8% p.a. with the repayment of the facility to occur three years after the date of the Agreement. The loan is provided on an unsecured basis.

The Company continued to be in discussions with Noble and others regarding potential strategic opportunities during the quarter, to assist with any anticipated expenditure for investigation and assessment of any of these potential strategic opportunities including potential opportunities to develop the Blackall Coal project.

### Finance and Activities

During the quarter the Company undertook exploration activities including the assessment of the demand for thermal coal and the potential for further development of the coal resource within MDL 464 and the three EPCs covering the main body of the Blackall Coal Project, and some compliance activities with an associated cash outflow of approximately \$48,000.

There were no development or production activities

As outlined in the attached Appendix 5B (section 6) during the quarter approximately \$59,000 in payments was made to related parties and their associates for director salaries, consultancy fees, superannuation and other related costs.

### Strategic Opportunities

During the quarter, 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.

### Tenement Holdings

Tenement Reference	Location	Interest at 01/01/2020	Acquired/Disposed	Interest at 31/03/2020
EPC 1149	Blackall, QLD	100%	N/A	100%
EPC 1398	Blackall, QLD	100%	N/A	100%
EPC 1399	Blackall, QLD	100%	N/A	100%
EPC 1400	Blackall, QLD	100%	N/A	100%
EPC 1403	Blackall, QLD	100%	N/A	100%
EPC 1407	Blackall, QLD	100%	N/A	100%
MDL 464	Blackall, QLD	100%	N/A	100%

There are no Farm-in or Farm-out Arrangements held by East Energy Resources Ltd

**This Report has been authorised for release by the Board of Directors of East Energy Resources Ltd.**

#### Further information:

Rex Littlewood

Managing Director

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**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.

## **EAST ENERGY REPORTS 3.44 BILLION TONNES JORC RESOURCE FOR BLACKALL PROJECT**

### **Key Points:**

- **Combined JORC compliant Total Coal Resources of 3.44 billion tonnes within the Blackall Coal Project, comprising:**
  - *An updated JORC (2012) compliant Inferred Resource of 1,504 million tonnes within EPC 1399;*
  - *An existing JORC (2004) compliant Inferred Resource of 200 million tonnes within EPC 1398; and*
  - *An existing JORC (2004) compliant Resource of 1,740.5 million tonnes within EPC 1149, consisting of a 627.5 million tonnes Indicated Resource and 1,113 million tonnes Inferred Resource.*
- *An updated JORC (2012) Exploration Target of 2.0 to 2.5 billion tonnes of coal within EPC1398 and EPC1399.*

East Energy Limited is extremely pleased to report an **updated JORC compliant Coal Resource Statement for EPC1399** within the Blackall Project.

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

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

The updated Resource Statement for EPC 1399 was compiled following the completion of a 68 borehole drilling program in July 2013.

### **ASX: EER**

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

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

### **Capital Structure**

Share Price: \$0.02

Market Cap: \$7.13m

Shares on Issue: 356,480,930

### **Board of Directors**

Mark Basso  
Managing Director

Ranko Matic  
Non-Executive Director

Rex Littlewood  
Non-Executive Director

### **Contact Us**

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The Company also has an updated Exploration Target in the range of 2.0 to 2.5 billion tonnes, which has been well defined by geophysically logged chip holes in areas adjacent to the JORC Resource areas. All references to Reported Exploration Targets are in accordance with the guidelines of the JORC Code (2012). As such, the potential quantity and grade is conceptual 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.

### Summary of Mineral Resources

**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	-	-
<b>TOTAL</b>	<b>1,504 million tonnes</b>		

**Table 2 – EPC 1399 Coal Quality**

Seam Name	Resource Category	Insitu Tonnes (Mt)	Inherent Moisture % (adb)	Ash (adb)	Fixed Carbon % (adb)	Volatile Matter % (adb)	Total Sulphur % (db)	Calorific Value Kcal/kg (adb)
1 Upper	INFERRED	143	16.4	24.0	33.6	25.6	0.40	4156
1 Lower	INFERRED	105	15.4	29.0	32.0	23.6	0.30	3846
2 Upper	INFERRED	123	15.8	30.6	29.8	23.7	0.51	3728
2 Lower	INFERRED	104	16.0	29.3	30.8	24.0	0.52	3805
3 Upper-1	INFERRED	193	16.1	23.6	35.2	25.0	0.48	4225
3 Upper-2	INFERRED	169	17.0	19.2	37.7	26.1	0.47	4497
3 Lower-1	INFERRED	105	15.7	22.5	35.8	25.8	0.71	4347
3 Lower-2	INFERRED	96	15.1	27.6	33.1	24.1	0.56	3986
4 Upper-1	INFERRED	84	15.5	23.9	35.2	25.4	0.62	4280
4 Upper-2	INFERRED	110	17.4	16.9	38.9	26.8	0.65	4678
4 Lower	INFERRED	120	16.7	18.9	38.4	26.0	0.55	4559
5	INFERRED	151	16.3	19.4	38.2	26.1	0.82	4570
<b>Total</b>	<b>INFERRED</b>	<b>1,504</b>						

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

Tenement	EXISTING JORC (2004) COAL RESOURCES		
	Inferred (Mt)	Indicated (Mt)	Measured (Mt)
EPC 1398	200	-	-
<b>TOTAL</b>	<b>200 million tonnes</b>		

**Table 4 – EPC 1398 Coal Quality**

Resource Category	Insitu Tonnes (Mt)	Inherent Moisture % (adb)	Ash (adb)	Fixed Carbon % (adb)	Volatile Matter % (adb)	Total Sulphur % (db)	Calorific Value Kcal/kg (gar)
INFERRED	200	16.8	21.8	34.5	26.9	0.60	3570

**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	-
<b>Sub-total</b>	<b>1,113</b>	<b>627.5</b>	<b>-</b>
<b>TOTAL</b>	<b>1,740.5 million tonnes</b>		

**Table 6 – EPC 1149 Coal Quality (SRK Consulting Sept 2012)**

Seam Name	JORC Category	Seam Thickness m	Coal Area Ha	Coal Volume Mm <sup>3</sup>	In-situ Tonnes Mt	RD <sub>h</sub> g/cc	TM %ar	IM %ad	Raw Ash %ad	Raw VM %ad	Raw TS %ad	Raw Gross CV MJ/kg	F1.60 Yield %ad	F1.60 Moisture %ad	F1.60 Ash %ad	F1.60 VM %ad	F1.60 TS %db	F1.60 Gross CV MJ/kg
1U	IND	0.57	4123.1	23.5	33.1	1.41	29.4	21.5	21.1	25.2	0.41	16.3	78.7	17.8	12.2	29.0	0.34	19.7
1U	INF	0.50	7705.7	38.3	54	1.40	30.6	20.1	20.9	25.5	0.41	16.7	81.8	16.3	11.6	29.4	0.34	20.7
1L	IND	0.65	4795.1	31.0	43.7	1.41	29.5	21.9	22.7	24.8	0.45	15.9	80.0	18.1	14.8	28.9	0.40	18.9
1L	INF	0.51	12805.8	65.1	92	1.41	30.3	20.3	22.0	25.9	0.48	16.4	82.2	17.5	13.1	29.2	0.42	19.9
2U	IND	0.51	7151.0	36.6	51.7	1.41	28.9	21.6	22.3	26.0	0.37	16.0	81.6	18.1	13.8	29.0	0.37	19.1
2U	INF	0.50	15506.3	78.1	110	1.41	29.2	20.7	21.8	25.3	0.50	16.4	84.1	17.8	12.5	29.7	0.57	20.0
2L	IND	0.53	7378.2	39.1	55.6	1.42	28.6	20.7	23.8	24.4	0.41	15.7	79.3	17.8	13.8	28.7	0.39	19.2
2L	INF	0.50	14834.4	74.0	104	1.41	29.3	20.6	21.3	25.3	0.49	16.6	85.7	18.3	13.6	28.8	0.47	19.6
3U1	IND	0.42	5951.8	25.2	36.2	1.44	27.2	19.2	25.4	24.1	0.46	15.5	75.1	17.3	13.6	28.9	0.45	19.6
3U1	INF	0.50	14507.0	72.1	102	1.42	29.2	20.5	22.1	24.9	0.62	16.4	71.8	18.6	12.6	28.3	0.55	19.7
3U2	IND	0.44	6292.5	27.8	40.4	1.45	27.3	19.6	26.7	24.4	0.39	15.1	73.0	16.7	15.4	28.4	0.41	19.0
3U2	INF	0.46	13197.3	60.8	87	1.44	28.0	19.6	24.8	24.0	0.54	15.7	76.9	19.3	13.8	27.3	0.60	19.1
3L1	IND	0.80	9082.9	72.4	101.2	1.40	29.2	21.2	20.0	26.5	0.50	16.7	81.0	17.8	12.5	29.0	0.45	19.8
3L1	INF	0.64	13803.8	89.0	126	1.41	29.0	20.4	21.9	24.8	0.56	16.4	81.4	18.7	13.0	28.7	0.66	19.6
3L2	IND	0.84	8403.2	70.7	98.6	1.40	30.1	21.5	20.0	25.9	0.46	16.7	83.6	17.8	12.3	28.9	0.47	19.8
3L2	INF	0.65	14910.1	96.3	134	1.39	29.3	20.8	20.1	25.3	0.56	16.8	84.7	17.8	14.1	28.7	0.59	19.5
4U1	IND	0.50	8827.1	44.3	61.7	1.39	29.2	21.3	19.4	26.2	0.47	16.8	83.7	17.8	11.4	29.3	0.43	20.2
4U1	INF	0.55	14198.9	78.4	110	1.40	29.4	20.5	20.6	25.0	0.69	16.9	80.7	17.4	12.2	28.7	0.62	20.3
4U2	IND	0.41	8691.0	35.7	50.1	1.40	29.3	20.9	21.1	25.7	0.45	16.4	82.6	17.6	12.3	29.2	0.44	19.9
4U2	INF	0.45	13539.9	61.3	86	1.40	29.3	20.9	19.8	25.1	0.60	17.0	83.2	17.5	11.9	29.0	0.57	20.4
4L	IND	0.52	7230.4	37.8	53.7	1.42	27.4	20.2	23.6	24.8	0.60	15.8	77.7	17.2	14.3	28.9	0.55	19.4
4L	INF	0.55	13153.1	72.3	103	1.42	28.6	19.8	23.0	25.0	0.94	16.3	79.1	18.1	12.7	29.1	0.85	19.9
5	IND	0.52	197.6	1	1.5	1.41	33.5	18.3	22.3	29.1	1.22	17.1	81.7	13.3	11	32.3	0.72	20.2
5	INF	0.5	738.9	3.7	5	1.42	29.9	18.8	24.1	26.3	0.75	16.4	76.9	15.9	11.2	31	0.72	20.3
Total					1,740.5	1.41	29.1	20.6	21.7	25.2	0.54	16.4	80.9	17.9	13.0	28.9	0.53	19.8

## JORC Exploration Targets

The Exploration Target for EPC 1399 has been updated as a result of the drilling program completed in 2013, while the Exploration Target for EPC 1398 remains as previously reported. Exploration Targets are reported for coal between the base of weathering and 150m depth from surface.

Coal seam thicknesses have been derived from drill chip lithology logs adjusted to geophysical logs, with tonnages calculated using an assumed RD of 1.4t/m<sup>3</sup>. Drill hole spacing within the Exploration Target areas is approximately 4km and coal intersections have been projected up to a 2km radius from each borehole.

A total of 33 boreholes were used in estimating the coal quantities in the Exploration Target for EPC

1398 and a total of 6 boreholes were used for EPC 1399.

Coal quality assumptions are based on adjacent core sample assays within the respective tenements. The coal tonnages and expected coal quality ranges applicable to the reported Exploration Targets are shown in Table 7.

All references to Exploration Targets in this document are in accordance with the guidelines of the JORC Code (2012). As such, the potential quantity and grade 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							