

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

EASTERN IRON LIMITED



ABN

70 126 678 037

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows**Cash flows related to operating activities**

		Current quarter 30 September 2014 \$A'000	Year to date (3 months) 30 September 2014 \$A'000
1.1	Receipts from product sales and related debtors	0	0
1.2	Payments for (a) exploration and evaluation	(309)	(309)
	(b) development	0	0
	(c) production	0	0
	(d) administration	(189)	(189)
1.3	Dividends received	0	0
1.4	Interest and other items of a similar nature received	0	0
1.5	Interest and other costs of finance paid	0	0
1.6	Income taxes paid/received on R&D tax offset	0	0
1.7	Other - consulting fees and rental income	0	0
	- tenement security deposits (paid)/refunded	0	0
Net Operating Cash Flows		(498)	(498)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	0	0
	(b) equity investments	0	0
	(c) other fixed assets	0	0
1.9	Proceeds from sale of: (a) prospects	0	0
	(b) equity investments	0	0
	(c) other fixed assets	0	0
1.10	Loans to other entities	0	0
1.11	Loans repaid by other entities	0	0
1.12	Other	0	0
Net investing cash flows		0	0
1.13	Total operating and investing cash flows (carried forward)	(498)	(498)

	Current quarter \$A'000	Year to date \$A'000
1.13 Total operating and investing cash flows (brought forward)	(498)	(498)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc	0	0
1.15 Proceeds from sale of forfeited shares	0	0
1.16 Proceeds from borrowings	300	300
1.17 Repayment of borrowings	0	0
1.18 Dividends paid	0	0
1.19 Other – Equity raising costs	0	0
Net financing cash flows	300	300
Net increase (decrease) in cash held	(198)	(198)
1.20 Cash at beginning of quarter/year to date	247	247
1.21 Exchange rate adjustments to item 1.20	0	0
1.22 Cash at end of quarter	49 *	49 *

*Note: The Company received \$1,015,588 on 1 October 2014 for the R&D tax offset.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	83
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Salaries, directors' fees and consultancy fees at normal commercial rates

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

Financing facilities available*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	0
4.3 Production	0
4.4 Administration	170
Total	670*

***Note:** The Company received \$1,015,588 on 1 October 2014 for the R&D tax offset.**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	25	223
5.2 Deposits at call	24	24
5.3 Bank overdraft	0	0
5.4 Other - bills receivable, bank accepted and short term bank deposits	0	0
Total: cash at end of quarter (item 1.22)	49	247

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	MDL 362 Eulogie	Tenement relinquished	100%	0%

6.2	Interests in mining tenements acquired or increased	EL 5530 Tara	Exploration Licence application	0%	100%
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6.3 The full Eastern Iron schedule of tenements is included as an attachment to this report.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total Number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities	Nil			
7.2	Changes during quarter	Nil			
	(a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs, redemptions				
7.3	Ordinary securities - fully paid EFE	146,246,644	146,246,644		
7.4	Changes during quarter				
	(a) Increases through issues	2,373,938	2,373,938	\$0.042	\$0.042
	(b) Decreases through return of capital, buy-backs				
7.5	Convertible debt securities	Nil			
7.6	Changes during quarter	Nil			
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				
7.7	Options			<i>Exercise price</i>	<i>Expiry date</i>
	EFE 10 cents	3,700,000	0	\$0.10	23 Nov 2015
	EFE 18 cents	1,200,000	0	\$0.18	9 Mar 2015
	EFE 6.2 cents	1,000,000	0	\$0.062	26 Nov 2016
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	Nil			
7.11	Debentures (totals only)	Nil			
7.12	Unsecured notes (totals only)	Nil			

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 31 October 2014

(Director / Company Secretary)

Print name: Ian K White

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenements, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Tenement	Tenement Number	Interest	Joint Venture Details
QUEENSLAND			
Hawkwood	EPM 15289	100%	
VICTORIA			
Nowa Nowa	EL 4509	100%	Note 1
Nowa Nowa MIN	MIN 5571	100%	
Tara	ELA 5530	100%	Note 1
Tara South	ELA 5405	100%	

EL = Exploration Licence

ELA = Exploration Licence Application

EPM = Exploration Permit for Minerals (Qld)

MIN = Mining Licence (Vic)

Notes:

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