

ASX Code: EFE

Issued Capital: 152,008,130
(as at 30th June 2015)

Directors

Steve Gemell (Chairman)

Greg Jones

Michael Giles

Greg De Ross (CEO)

Address

Level 1, 80 Chandos Street
St Leonards, NSW 2065

Postal

PO Box 956, Crows Nest
NSW 1585

T: +61 2 9906 7751

F: +61 2 9906 5233

Twitter: @EasternIronEFE

www.easterniron.com.au

HIGHLIGHTS

NOWA NOWA IRON PROJECT

- Total CNF cash costs projected at FOB cash cost of approximately A\$32/t (US\$24/t) and US\$36/t CFR for an upgraded 62% Fe product.

CORPORATE

- Various cost saving measures implemented to preserve cash balance.
- Eastern Iron has applied for an R&D refund from the Australian Government.
- The Company continues to investigate various options for funding the completion of the Nowa Nowa study and other business.

Eastern Iron Limited (ASX: EFE) is pleased to report on activities undertaken during the quarter ended 30th June 2015.

NOWA NOWA IRON PROJECT

The Nowa Nowa Iron Project is located some 250 kilometres east of Melbourne close to the Princes Highway, which provides ready access to several nearby towns and possible export sites (Figure 1).



Figure 1 - Nowa Nowa Locality Plan

Over the past 12 months, Eastern Iron has advanced a Definitive Feasibility Study (DFS) into the potential development of the magnetite-rich iron ore at the Five Mile deposit. The results of this study were reported in a release dated 29 September 2014, *Nowa Nowa Project Feasibility Results*.

In the previous quarter the Company reported the results of further optimisation studies which examined alternative proposals for transport of the finished product from the minesite to export markets. The results of these studies were reported in a release dated 4 March 2015, *Nowa Nowa Project Update*.

Operating and capital cost estimates (shown in the table below) are based on the results of the Feasibility study, modified to include slurry pipeline estimates from the ISG November 2014 study and estimates for the increased cost of comminution, further magnetic separation and tailings disposal from wet processing at the minesite.

Nowa Nowa Iron Project

Geological Resource	9.05Mt @ 50.8% Fe¹
Crushing Plant Feed	1 Mtpa ore
Mine Life	9.5 years
Mass yield (average)	64%
Iron recovery	81%
Production (average)	600,000tpa
Product	62% Fe magnetite
FOB Cost²	A\$31.4/t product

- Notes
1. Resource calculated at 40% Fe lower cut-off grade
 2. Site costs including mining, processing and indirect costs
 3. Capital costs have been calculated at +/-15% and include contingency and EPCM costs

The information concerning resources is extracted from the report entitled “Resource Upgrade at Nowa Nowa Iron Project” announced to the ASX on 21 May 2014 and is available to view on www.easterniron.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement 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 Person’s findings are presented have not been materially modified from the original market announcement.

Little work has been undertaken during this quarter and the Company continues to assess its options for securing funding to complete the project assessment at Nowa Nowa.

Next Steps

Technical studies and more detailed evaluation are required to bring the various enhancements included in the project plan to the feasibility level. These include:

- Expanded metallurgical testwork for producing a +62% Fe product using low intensity wet magnetic separation.
- Crush and grindsize optimisation.
- Concentrate pipeline engineering and design.
- Detailed design of slurry pipeline, stockpile area and associated headworks.
- Water supply studies.
- Detailed capital and operating cost estimates.

Total cost of these works is estimated at around \$800,000.

NOWA NOWA COPPER

Eastern Iron is continuing discussions with interested parties for a potential joint venture to explore the copper and gold potential of the Company's exploration tenements in the Nowa Nowa area.

CORPORATE

The Company continues to implement measures to reduce the ongoing cost of the business as well as streamline management.

FORWARD PROGRAM

Nowa Nowa Iron Project

The Company intends to complete assessment of the modified project as funds are available.

FINANCIAL POSITION

Total exploration expenditure for the quarter was \$27,000. The cash balance at the end of the quarter was \$84,000.

INVESTOR INFORMATION

Eastern Iron is investigating the potential for development of a high grade magnetite resource at Nowa Nowa in Eastern Victoria as well as exploring for high grade copper deposits in the Nowa Nowa region.

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



**Mr Greg De Ross,
Chief Executive Officer
Mob: 0417 711 274**

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Greg De Ross, BSc, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Greg De Ross is Chief Executive Officer of Eastern Iron Limited 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 a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr De Ross consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

ASX: EFE

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

Boardroom Limited GPO Box 3993, Sydney NSW 2001 Phone: (02) 9290 9600