

ASX Code: EFE

Issued Capital:
745,231,764

Directors

Eddie King (Chairman)

Therese-Marie Taylor (Non-executive Director)

Myles Fang (Non-executive Director)

Address

Level 1, 80 Chandos Street
St Leonards, NSW 2065

Postal

PO Box 956, Crows Nest
NSW 1585

T: +61 2 9906 7751

Twitter: @EasternIronEFE
www.easterniron.com.au

HIGHLIGHTS

- **Positive beneficiation testwork results on samples from the Nowa Nowa Iron project.**
- **Placement and fully underwritten Entitlements Issue of \$2.2 million was completed.**

Eastern Iron Limited (“**Eastern Iron**” or the “**Company**”) is pleased to report on activities undertaken during the quarter ended 30 June 2021.

Nowa Nowa Iron Project

The Company has commenced updating the existing Definitive Feasibility Study (the “**DFS**”) completed in 2014, which will now be based on the production of a Direct Shipping Ore (“**DSO**”) with 50% Fe magnetite content.

The updated DFS will focus on mining ore at the Five Mile deposit. Ore would be mined from an open pit, and trucked to the Port of Eden for loading onto bulk cargo vessels for export.

Nowa Nowa DSO will be sold to beneficiation plants in Asia for further processing to potentially produce high grade magnetite concentrates.

The June quarter 2021 saw encouraging advances at Nowa Nowa Iron Project (the “**Project**”) as follows:

Mining

The revised DFS mining section has been reviewed by Mining One Pty Ltd and the revised DFS will assume mining of high-grade ore only. Low grade ore will not be produced and the Project’s footprint will be reduced accordingly.

This reduced footprint and relocating the waste dump allows the realignment of Buchan Road. The length of realignment of Buchan Road is significantly reduced compared to the DFS in 2014, resulting in an expected reduced initial capital expenditure for road construction (Refer to the Company announcement dated 30 June 2021).

The proposed Project mining layout will be finalised as part of the updated DFS.



Beneficiation Testwork

In April 2021, the Company completed beneficiation testwork carried out by ALS Metallurgy. (Refer to the Company Announcement dated 26 July 2021¹)

Drill core samples were collected from drill holes completed by Eastern Iron during resource drilling at Five Mile deposit in 2013. Composite samples were prepared from the core samples by ALS Metallurgy for Davis Tube Wash (DTW) and wet low intensity magnetic separation (Wet LIMS).

A Composite sample was prepared at 50.4% Fe, 15.00% SiO₂, 2.59% Al₂O₃, and 0.03% P, which is in the range of iron content of the proposed DSO products for export from the Five Mile deposit. The object of this testwork was to determine the product specification of magnetite concentrates produced from Nowa Nowa DSO through Wet LIMS.

The samples were tested by DTW at grind sizes of 80% passing 106, 75, and 45 micron.

The results are summarised below:

Table 1. Analysis of DTW magnetite concentrates at 106, 75 and 45 micron grind.

DTW Conc.		Fe	SiO ₂	Al ₂ O ₃	P	S	Fe Rec%
		(%)	(%)	(%)	(%)	(%)	(%)
Composite	106 micron	64.7	5.91	0.65	0.011	0.16	69.3
Composite	75 micron	68.1	3.68	0.25	0.007	0.038	68.0
Composite	45 micron	69.0	2.94	0.23	0.006	0.023	67.3

The samples were also treated by wet magnetic separation at grind sizes of 80% passing 45 micron and at 1100 gauss. The Wet LIMS product produced below is a high-quality iron product similar to many widely traded magnetite concentrates supplied as pellet feed in iron content and the level of deleterious elements.

The results are summarised in the table below:

Table 2. Analysis of Wet LIMS magnetite concentrates at 45 micron grind.

Wet LIMS Conc.		Fe	SiO ₂	Al ₂ O ₃	P	S	Fe Rec%
		(%)	(%)	(%)	(%)	(%)	(%)
Composite	45 micron	68.9	2.97	0.23	0.008	0.022	67.4

Proposed Processing and On-Site Infrastructure

The proposed Project operations will process mined ore on site via crushing and screening to produce a magnetite DSO product @ 50% Fe. No on-site beneficiation will be employed which was considered in the DFS in 2014. As such, a magnetic separation plant is not required which will not only reduce the footprint of on-site infrastructure but it will also reduce initial capital expenditure and operating costs for ore processing.

Port of Eden

Discussions with Pentarch Logistics Pty Ltd, the operator of the Port of Eden have been ongoing and a site visit by the Company and Engenium was conducted in June. The Port of Eden is the proposed port facility to export final product from the Project.

The Port of Eden is located in NSW, and can accommodate P-Panamax vessels with up to 75,000 MT intake. Currently, the existing conveying and ship loading systems are used to export forestry products. As considered in the 2014 DFS, minimal modifications to these systems can be made to allow the facilities to be suitable for iron ore product export.

The DFS is expected to be completed in the September quarter 2021.

Nowa Nowa Copper Project

The Company is waiting for the response from the Victorian Department of Jobs, Precincts and Regions (“DJPR”) for a revised Work Program of drilling proposal for Nowa Nowa Copper Project EL 006183. The work programme is planned to be commenced on May subject to DJPR work plan approval.

Capital Raising

On 18 May, the Company completed its non-renounceable pro-rata Entitlement Offer to raise \$1,072,370. The Entitlement Offer was fully underwritten by CPS Capital Group. In addition, the Company completed the second tranche of a placement announced on 2 February, raising \$600,000.

The funds raised funded the exploration activities at Nowa Nowa Copper Project, updating the DFS of the Nowa Nowa Iron Project and for general working capital.

Corporate

In April, Mr Nathan Taylor resigned as the Alternate Director for Mrs Therese-Marie Taylor, to focus on his other interests. Mr Taylor had been the Alternative Director for Mrs Taylor since July 2017 and the Company thanks him sincerely for his contribution during this period.

New Project Search and Potential Acquisition

A number of projects have been evaluated by the Company during the quarter, and the Company is in commercial discussions with various parties.

Financial Position

The cash balance at the end of the quarter was \$1,496,000.

Related Party Payments

During the quarter the Company made related party payments, at normal commercial rates, of \$15,000 for Directors Fees and \$7,598 for company secretarial services.

Tenement Schedule

Tenement	State	Tenement Number	Interest	Holder
Nowa Nowa EL	Victoria	EL 6183	100%	Gippsland Iron Pty Ltd
Tara EL Application	Victoria	EL 5545	100%	Gippsland Iron Pty Ltd
Five Mile RL Application	Victoria	RL006488	100%	Gippsland Iron Pty Ltd

EL: Exploration Licence RL: Retention Licence

Gippsland Iron Pty Ltd is a wholly owned subsidiary of Eastern Iron.

Investor Information

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

Authorisation

This announcement has been authorised for release by the Board of Directors in accordance with the requirements of the Company's Continuous Disclosure Policy.



Mr Myles Fang
Non-executive Director
T: 02 9906 7551

For enquiries on your shareholding or change of address please contact:
 Boardroom Limited, GPO Box 3993, Sydney NSW 2001, Phone: (02) 9290 9600

¹ The Company confirms that it is not aware of any new information or data that materially impacts the information included in its ASX announcement of 26 July 2021 and that all material assumptions and technical parameters underpinning the estimates included in this ASX announcement continue to apply and have not materially changed.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Eastern Iron Limited

ABN

70 126 678 037

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(43)	(260)
(e) administration and corporate costs	(56)	(222)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(99)	(482)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(286)	(318)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(286)	(318)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,673	2,420
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(173)	(234)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	➤ Reclassify of funds from share placement and Non-renounceable entitlement issue (shares not yet issued in last quarter and they were issued in this quarter)	(338)	-
3.10	Net cash from / (used in) financing activities	1,162	2,186

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	719	110
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(99)	(482)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(286)	(318)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,162	2,186
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,496	1,496

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	99	34
5.2	Call deposits	1,397	685
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,496	719

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 *	25
6.2	Aggregate amount of payments to related parties and their associates included in item 2 *	3

* Directors fees, consultancy fees and corporate advisory fees at normal commercial rates.

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	99
8.2 Capitalised exploration & evaluation (Item 2.1(d))	286
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	385
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,496
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,496
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.89

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 July 2021

Date:

Ian White (Company Secretary)

Authorised by:
 (Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Eastern Iron Limited
 Schedule of Tenements as at 30 June 2021

Tenement	Tenement No.	Interest	Joint Venture Details
VICTORIA			
Nowa Nowa EL	EL 006183	100%	Note 1
Tara EL Application	EL 5545	100%	Note 1
Five Mile RL Application	RL006488	100%	Note 1

EL = Exploration Licence

RL = Retention Lease

Notes:

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