

STRATEGIC PLACEMENT AND EQUITY RAISING

HIGHLIGHTS

- Eastern Iron Ltd (the “Company”) and Ya Hua International Investment and Development Co Ltd (“Yahua”) have executed a Subscription Agreement for a strategic placement of \$1.05 million to Yahua, which will result in it becoming a substantial shareholder of Eastern Iron.
- Eastern Iron will place a further \$2.52 million to sophisticated and professional investors.
- The placements will provide Eastern Iron with further funding to expedite the progress of existing projects.
- The placement provides financial commitment to Eastern Iron’s strategic partnership with Yahua to acquire and develop further lithium projects.

Eastern Iron is pleased to announce that Yahua has agreed to make a strategic investment of approximately \$1.05m in the Company. In addition, the Company has received commitments from sophisticated and professional investors for further investment of approximately \$2.52m for a total capital raising of approximately \$3.57m (“**Placement**”) before costs.

Chairman Eddie King commented:

“We welcome Yahua as a cornerstone investor of Eastern Iron and are delighted with their financial commitment towards progressing a strategic partnership to acquire and develop Australian lithium projects. Given the current global demand for lithium and battery metals, we believe an investment from one of the largest lithium battery material producers in the world validates our strategy and demonstrates our willingness to provide green energy solutions for future generations.”

The Placement will be undertaken without shareholder approval using the Company’s placement capacity under Listing Rule 7.1 and Listing Rule 7.1A. The Placement will be undertaken in two tranches:

Yahua Placement

A placement to Yahua of 45,500,000 fully paid ordinary shares (“**Yahua Shares**”) at an issue price of \$0.023 per share, and 9,100,000 options exercisable at \$0.012 each and expiring on 31 January 2023 (“**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 and shareholder approvals. The Conditions must be satisfied or waived by 31 December 2021.

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 5.05% interest in the Company’s issued capital.

Sophisticated Investor Placement

A placement to sophisticated and professional investors of 109,500,000 fully paid ordinary shares (“**Investor Shares**”) at an issue price of \$0.023 per share, and 21,900,000 free attaching options exercisable at \$0.012 each and expiring on 31 January 2023 (“**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 23 September 2021.

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;
 - a Placing Fee of 4%, plus GST; and
- Subject to shareholder approval, CPS will be issued 25,000,000 options at an issue price of \$0.0001 per option, exercisable at \$0.04 each and expiring on 30 September 2023.

Purpose of the Capital Raising

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

- Nowa Nowa Iron Project development;
- Nowa Nowa Copper Project exploration;
- Trigg Hill Lithium Project exploration (conditional on acquisition);
- Working capital; and
- Costs of the offer.

About Sichuan Yahua Industrial Group Co. Ltd.

Yahua Group is an A-share listed company on the Shenzhen-stock exchange in China, with a market capitalisation approximately RMB 48.7 billion (A\$10.3 billion), principally engaged in the manufacture and sales of civil explosives and of lithium salt products.

Yahua Group is one of China's major lithium hydroxide and lithium carbonate producers, with existing operations of 43,000tpa refinery for 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 a major offtake customer of Orocobre Ltd (Previous Galaxy Resources Ltd).

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.

Appendix 3Bs in respect of the capital raising have been lodged with ASX at the same time as this announcement.

The Company confirms that it is in compliance with Listing Rule 3.1 and that this announcement lifts the trading halt.

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

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