

**EASTERN IRON AGREES TERMS FOR AN OFFERING OF FULLY PAID
ORDINARY SHARES FOLLOWED BY A 1:4 RIGHTS ISSUE TO
POTENTIALLY RAISE \$1.35M**

Eastern Iron Limited (the “**Company**”) has agreed terms with Placement Agent, Kaz Capital Pty Ltd (ABN 15 142 401 429, AFSL 384738) (“**Kaz Capital**”) for an offering of 71,464,433 fully paid ordinary shares (“**Placement Shares**”) to various investors to raise \$600,301 at an issue price of \$0.0084 per share.

Subject to shareholder approval at a general meeting to be convened, one attaching option at an exercise price of \$0.01 per share and a term of 1 year will be also issued for every two Placement Shares.

Following the issue of the Placement Shares and the Board changes outlined below, the Company will launch a 1:4 Rights Issue (“**Rights Issue**”) to all existing shareholders to raise a further \$750,377. Kaz Capital will underwrite all shortfalls if shareholders do not participate in the Rights Issue.

An agency fee of 6% of the total raising including Placement Shares and the Rights Issue will be paid to Kaz Capital.

Immediately following the issue of the Placement Shares the Board will appoint two directors nominated by Kaz Capital.

Following these appointments, Mr Steve Gemell, Mr Yungang Wu and Mr Michael Giles will step down and the Board will elect one of the two Kaz Capital nominees as Chairman.

The purpose of the capital raising is to fund the Company’s continued search for a resource project and/or develop its existing project as well as general working capital.

Chairman of the Board, Mr Steve Gemell said today:

“For some time now, Directors have been actively seeking an attractive resource project that fits both the technical skill and financial capacity of the Company. The Board considers that this additional capital will broaden the scope of available opportunities and that the new Directors will bring a fresh approach to this process”

It is expected that the initial placement will be completed within the next three weeks with the option issue and Rights Issue to follow as soon as practicable thereafter.

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



Mr Ian K White
Company Secretary
Mob: 0416 026 790

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