

## PLACEMENT AND UNDERWRITTEN RIGHTS ISSUE TO RAISE \$2.2 MILLION

Eastern Iron Limited (ASX: **EFE**) (the **Company**) is pleased to announce a capital raising of approximately \$2,200,000 (**Capital Raising**).

The Capital Raising will consist of:

- A placement to sophisticated and professional investors of approximately 137,500,000 fully paid ordinary shares at an issue price of \$0.008 per Share (**Shares**) and 68,750,000 free attaching options exercisable at \$0.012 each on or before 31 January 2023 (**Options**) on the basis of one (1) Option for every two (2) Shares issued (the **Placement**), in two tranches:
  - **Tranche 1:** 62,500,000 Shares and 31,250,000 Options.
  - **Tranche 2:** 75,000,000 Shares and 37,500,000 Options.

The Placement will raise approximately \$1,100,000 before costs.

- A fully underwritten non-renounceable entitlements issue on a 1 for 4 basis at an issue price of \$0.008 per Share with one (1) free attaching Option for every two (2) Shares issued, to raise approximately \$1,072,371 (**Entitlements Issue**).

The Company has entered into firm commitments with a number of sophisticated and professional investors to issue the Tranche 1 and Tranche 2 Placement Securities.

The Tranche 1 Placement Shares will be issued without shareholder approval using the Company's placement capacity under Listing Rule 7.1 only. Tranche 1 Placement Shares will be entitled to participate in the Entitlements Issue.

The issue of the Tranche 1 Options, and of all Tranche 2 Securities, to participants in the Placement is subject to shareholder approval under Listing Rule 7.1. The Company intends to convene a shareholders' meeting to seek approval for the issue of these securities shortly.

The Entitlements Issue will be undertaken pursuant to a short form prospectus under section 713 of the Corporations Act 2001 (the **Prospectus**).

All Options will be issued pursuant to a separate offer under the Prospectus.

### Joint Lead Managers (JLMs)

The Company has entered into a Joint Lead Manager and Underwriting Mandate with CPS Capital Group Pty Ltd (ACN 088 055 636) (AFSL 294848) (**CPS**) and First Growth Advisory Pty Ltd (ACN 629 355 808) (AFS Representative Number 000224034) (**First Growth Advisory**) (**JLM Mandate**). Under the JLM Mandate:

- JLMs will be paid the following fees:
  - a Management Fee of 1%, plus GST, of \$21,724;
  - a Placing Fee of 5%, plus GST, of \$55,000; and
  - an Underwriting Fee of 5%, plus GST, of \$53,619.
- Each of the JLMs will be issued 10,000,00 Options at an issue price of \$0.0001 per Option, subject to shareholder approval.
- The JLM Mandate can be terminated by EFE by giving seven (7) days written notice.
- The JLM Mandate can be terminated by the JLMs on 14 days' notice if:
  - EFE commits a material breach of the terms and conditions of the JLM Mandate; or
  - any warranty or representation given by EFE is not complied with or proves to be untrue in a material respect.
- The JLMs can terminate the JLM Mandate immediately if EFE becomes insolvent or enters into a composition with its creditors generally.
- The JLM Mandate is otherwise on customary terms and conditions for an agreement of this kind.

### Purpose of the Capital Raising

The purpose of the Capital Raising is to raise funds for:

- Work plan at the Nowa Nowa Iron Project;
- Exploration expenditure for the Nowa Nowa Copper Project;
- Repayment of existing creditors;
- Costs of the offer; and
- Working capital.

### Timetable

The Tranche 1 Shares are anticipated to be issued on 8 February 2021.

The Company will confirm the dates for the Entitlements Issue and the convening of the shareholders' meeting in due course.

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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.

**Mr Myles Fang**  
**Non-Executive Director**  
**T: 02 9906 7551**

## **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](http://www.easterniron.com.au)

**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**