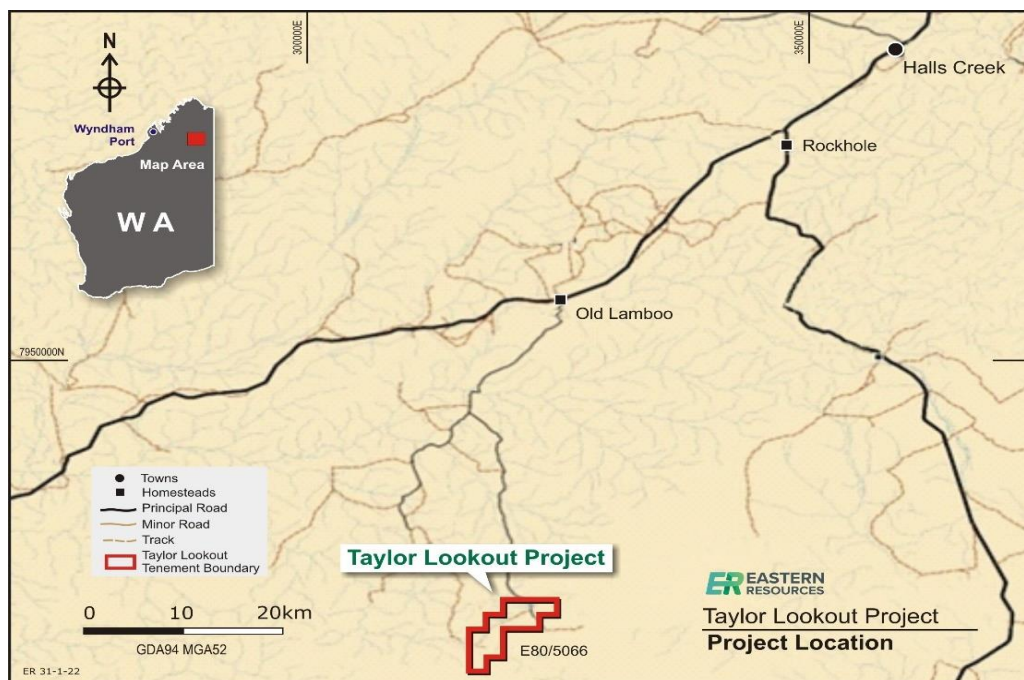


## **EASTERN RESOURCES ACQUIRES TAYLOR LOOKOUT LITHIUM TANTALUM PROJECT**

### **Highlights**

- Eastern Resources Limited has, via its wholly owned subsidiary, has secured the right to earn up to an 85% beneficial interest in the lithium and related minerals located within exploration licence E80/5066 (“**Tenement**”) in the Kimberley region, which contains a number of pegmatites.
- The Tenement comprising 35.6 km<sup>2</sup>, is located in the Kimberley region of Western Australia (Figure 1), approximately 80km SW of Halls Creek.
- Anomalous tantalum discovered in creeks draining areas containing pegmatites associated with the Taylors Lookout and Frog Creek granite plutons, with no exploration for lithium on the Tenement.
- EFE will explore for fractionated pegmatites, within several kilometres radius of the plutons, which may be prospective for lithium mineralisation.

Eastern Resources Limited ACN 126 678 037 (“**EFE**” or “**Company**”) is pleased to announce that it has entered into a Heads of Agreement with its wholly owned subsidiary, Eastern Lithium Pty Ltd (“**Eastern Lithium**”), and Legacy Iron Ore Ltd ACN 125 010 353 (“**Legacy Iron**”) to earn up to an 85% beneficial interest in certain specified minerals located in or on the Tenement, being the lithium, beryllium, caesium, niobium, rubidium, tantalum and tin (“**Lithium Rights**”) (the “**HOA**”).



*Figure 1 Project Location*

## **Project Summary**

### ***Location and tenures***

The Tenement is located approximately 80 km southwest of Halls Creek in the Kimberley region, Western Australia. The nearest town is Halls Creek.

The Tenement is also approximately 450km of Wyndham Port, a deep-water port with existing facilities for export of raw mined products.

The Tenement is comprised of 11 blocks or covering about 35.6 km<sup>2</sup>.

### **Geology**

The Tenement is situated within the Halls Creek Orogen, which developed initially during the Palaeoproterozoic, in a collision of the Kimberley Craton (northwest) and the North Australian Craton (southeast). The orogen includes Palaeoproterozoic, low to high-grade metasedimentary and meta-igneous rock, granitoid and gabbro.

A number of small leucocratic granite plutons of the Sophie Downs Suite have intruded the metasediments and metavolcanics of the Halls Creek Group. The Sophie downs granitoids have a composition consistent with 'fertile granites' and are the likely source of fractionated pegmatites containing minerals of tin, tantalum and lithium with the Mount Dockrell pegmatite field. Two of the granite plutons and associated pegmatites occur within the Tenement.

Pegmatites are common within a 10km radius of the Tenement.

### **Mineralisation**

Numerous base metal and skarn related tin-tungsten occurrences occur within the Tenement. Pegmatites have been mapped but no records on mineralogy of the pegmatites are available however the presence of the minerals tantalum within heavy mineral concentrates is a strong indication of increased fractionation in some of the pegmatites.

Minerals tantalum, tin, lithium, niobium and beryl have been recorded to the west of the Tenement.

### **Previous Exploration**

The Tenement has an extensive exploration history and has been explored by numerous companies for different commodities.

Tin (cassiterite) and tantalum was first discovered in Columbian Creek and in source pegmatites in 1927. Cassiterite was mined in Columbian Creek, which is 0.5km to 2km west of the Tenement.

Exploration for tungsten during 1980's in the areas surrounding the Taylors Lookout and Frog Creek monzogranite plutons was successful in locating tin and tungsten skarns. Stream sediment sampling identified anomalous tantalum and niobium in the headwaters of the Columbian Creek north and south branches draining the margins of the granite plutons within the Tenement.

Mapping by the Geological Survey of Western Australia in 1990-1992 identified a number of pegmatites within E80/5066 which are the likely source of the mineral tantalum within the headwaters of Columbian Creek. Tantalum generally occurs within fractionated pegmatites.

No systematic follow-up exploration for tantalum has been undertaken on the Tenement. No exploration has been undertaken on pegmatites or for lithium on the Tenement.

## Potential

Pegmatites are common in the Taylors lookout area, proximal to fertile granite plutons. The presence of tantalum in the creeks draining these areas indicates that potential exists for fractionated pegmatites potentially hosting lithium minerals. Pegmatites have not been a focus of prior exploration on the Tenement.

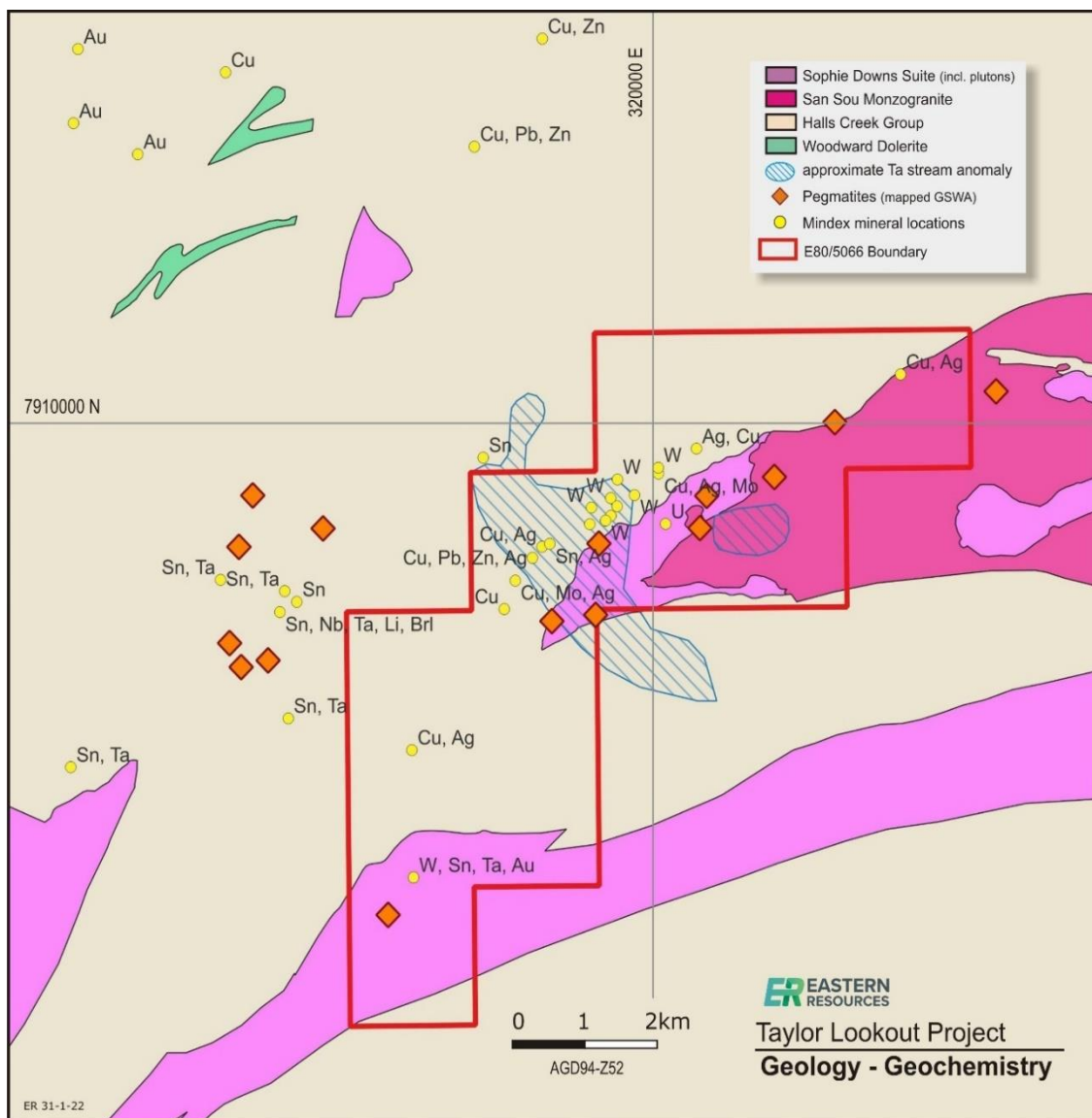


Figure 2 Taylor Lookout Geology and Location of Tantalum Stream Anomalies

## Key Commercial Terms

Under the HOA, Eastern Lithium is entitled to earn up to an 85% beneficial interest in the Lithium Rights ("**Transaction**"), on the following key terms.

1. EFE to pay Legacy Iron A\$50,000, within 5 business days on the date when the conditions precedent are satisfied ("**Earn-in Commencement Date**").
2. Conditions precedent:
  - (a) EFE is satisfied with the results of the due diligence investigations in respect of the Transaction (30 day due diligence period from the date of the HOA applies);
  - (b) Eastern Lithium and EFE obtaining all legal, regulatory and shareholder approvals necessary for it to undertake the Transaction (if any); and
  - (c) Legacy Iron obtaining all legal, regulatory and shareholder approvals necessary for it to undertake the Transaction (if any).
3. Eastern Lithium holds the following earn-in rights.
  - (a) Eastern Lithium is entitled to earn a 51% beneficial interest in the Lithium Rights ("**Stage 1 Interest**") by spending not less than A\$400,000 on exploration expenditure on the Tenement during the first 24 months following the Earn-in Commencement Date ("**Stage 1 Earn-in Period**"); Eastern Lithium has the right to withdraw at any time provided A\$200,000 has been spent on exploration expenditure in the first 12 months following the Earn-in Commencement Date;
  - (b) Eastern Lithium is entitled to earn a further 19% beneficial interest in the Lithium Rights ("**Stage 2 Interest**") by spending not less than A\$400,000 on exploration expenditure on the Tenement during the 24 months immediately following acquisition of the Stage 1 Interest ("**Stage 2 Earn-in Period**"); and
  - (c) Eastern Lithium is entitled to earn a further 15% beneficial interest in the Lithium Rights ("**Stage 3 Interest**") by completing a pre-feasibility study (as defined by Clause 39 of the 2012 Edition of the JORC Code) on the Tenement during the 24 months immediately following acquisition of the Stage 2 Interest (or as otherwise agreed by the parties) ("**Stage 3 Earn-in Period**"). .
4. Upon Eastern Lithium acquiring the Stage 1 Interest, Eastern Lithium and Legacy Iron will form an unincorporated joint venture ("**Joint Venture**") for the exploration and development of Lithium Rights on the following basis:
  - (a) Eastern Lithium will become the Manager of the Joint Venture;
  - (b) the joint venture parties will contribute funding to the Joint Venture on a pro-rata basis once Eastern Lithium has acquired the Stage 3 Interest (or earlier if Eastern Lithium elects not to earn the Stage 2 Interest or Stage 3 Interest);
  - (c) where a party is unable to meet its required proportionate expenditure for the Joint Venture or elects not to contribute, industry standard dilution clauses will apply;

- (d) if the Joint Venture interest of a party is diluted to 10% or less, then that party will be deemed to have withdrawn from the Joint Venture and its Joint Venture interest will automatically convert to an entitlement to a 2% net smelter royalty; and
  - (e) such other principal terms reasonable for a joint venture relationship of this nature.
- 5. The HOA sets out the principal terms governing the mineral sharing arrangement that will exist between tenement holder and the holders of the Lithium Rights. These include the following:
  - (a) Legacy Iron will retain legal ownership of E80/5066 as well as all rights pertaining to minerals other than lithium, beryllium, caesium, niobium, rubidium, tantalum and tin in or on the Tenement;
  - (b) the parties will exercise their respective rights to minerals in or on the Tenement in such a manner as to minimise interference with or impairment to the other's rights; and
  - (c) where there is an absolute or substantial conflict between any actual or proposed activities of the parties, during the Stage 1 Earn-in Period, the Stage 2 Earn-in Period and the Stage 3 Earn-in Period (as applicable), the activities of the holders of the Lithium Rights will have precedence.
- 6. A party may not dispose or assign of any of its interests under the HOA or in the Tenement to a third party unless it has first offered to assign such interest to the other party on the same terms and conditions as the proposed terms and conditions of the assignment to the third party.
- 7. The Tenement is subject to a native title determination and Eastern Lithium will take an assignment and assumption of the Heritage Agreement affecting the Tenement to the extent of the Lithium Rights being acquired by Eastern Lithium under the HOA.
- 8. EFE has provided a parent company guarantee in favour of Legacy Iron in respect of the performance of obligations and payment of moneys by Eastern Lithium under the HOA. It has also given an indemnity in favour of Legacy Iron in respect of loss or claims relating to the failure of Eastern Lithium to perform, and failing to cause it to perform, its obligations under the HOA.
- 9. The HOA otherwise contains terms, conditions and warranties customary for agreements of this nature.

## **COMPETENT PERSONS STATEMENT**

The information in this release that relates to Exploration Results is based on and fairly represents information and supporting documents compiled by Mr Mark Calderwood, consultant to the Company.

Mr. Calderwood is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Calderwood has sufficient relevant experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person within the definition of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code").



Mr Calderwood consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

### **INVESTOR INFORMATION**

Further information, previous Company 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)

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

#### **Myles Fang**

Executive Director

Phone: 02-9906 7551

#### **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



## Appendix A JORC Code Table 1 for Exploration Results

### Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<p>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</p> <p>Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.</p> <p>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</p>	<p>Sampling to date has been early-stage exploration comprising stream sediment Sampling,</p> <p>Samples were collected by prior explorer at irregular intervals.</p> <p>There is no available quality assurance and quality control (QA/QC) documentation.</p> <p>However, the competent person (CP) is satisfied that the results are fit for regional target generation purposes.</p>
Drilling techniques	<p>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</p>	Not applicable – no drilling results reported
Drill sample recovery	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p> <p>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</p>	Not applicable – no drilling results reported

Criteria	JORC Code Explanation	Commentary
Logging	<p>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography</p> <p>The total length and percentage of the relevant intersections logged.</p>	Not applicable – no drilling results reported
Sub-sampling techniques and sample preparation	<p>If core, whether cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</p>	There is no detailed information sampling and preparation techniques. However, the CP considers the methods of sufficient veracity for early-stage target generation purposes only.
Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p> <p>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <p>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</p>	<p>XRF instruments were not used for stream sediment sampling.</p> <p>Assay methodology where available appear rudimentary with high detection limits and potential issues with dissolving tantalum into solution.</p> <p>QA/QC does not appear to have been undertaken. The CP is of the opinion that the quality of the data is of low precision and only suitable for regional target generation purposes</p>



Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p> <p>Discuss any adjustment to assay data.</p>	Not applicable – no drilling results reported
Location of data points	<p>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</p> <p>Specification of the grid system used.</p> <p>Quality and adequacy of topographic control.</p>	Stream sediment sample locations were approximate only
Data spacing and distribution	<p>Data spacing for reporting of Exploration Results.</p> <p>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p> <p>Whether sample compositing has been applied.</p>	<p>The data is not appropriate for use in estimating a Mineral Resource and Ore Reserve and is not intended for such use. There has been insufficient recent exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource</p> <p>No sample compositing was undertaken</p>
Orientation of data in relation to geological structure	<p>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</p> <p>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</p>	Not applicable for stream sediment sampling
Sample security	The measures taken to ensure sample security.	Not applicable given the nature of sampling
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits or reviews of sampling techniques has been undertaken

## Section 2 Reporting of Exploration Results

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	<p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p>	<p>Exploration licence E80/5066 which is held by Legacy Iron Ore Ltd.</p> <p>The Company has entered into the HOA in respect of the Tenement on the terms set out above.</p>
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	<p>This report refers to prior exploration results from several companies and authors. The key WAMEX reports include:</p> <p>A010855 Codner, et al, 1982 A038300 Vanderplank, A, 1993</p> <p>Published references include:</p> <p>The Guidebook to the Pegmatites of Western Australia, Jacobson <i>et al</i> 2007, P1-3;</p> <p>The Tin Deposits of Western Australia, GSWA, Mineral Resources Bulletin 12, 1980.</p>
Geology	Deposit type, geological setting and style of mineralisation.	<p>The Lithium Rights relate to potential pegmatite deposits containing lithium, tantalum, niobium, tin etc. Pegmatites are intrusive dykes and sills related to late stage fertile granite intrusions. The level of fractionation of the pegmatites is important for the development of economic mineralisation.</p> <p>The Taylors lookout area contains numerous pegmatites from fertile granites however the level of fractionation is unknown.</p>

Criteria	Explanation	Commentary
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> </ul> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	Not applicable – no drilling results reported
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	Not applicable – no specific results reported
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</p>	Not applicable – no drilling results reported
Diagrams	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>	<p>Figures 2 shows locations of larger pegmatites mapped by the GSWA and broadly defined tantalum stream sediment anomaly which is nominally 10ppm or higher.</p>
Balanced reporting	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or</p>	<p>Only known relevant information is broad scale stream sediment sampling of poor to</p>

Criteria	Explanation	Commentary
	widths should be practiced to avoid misleading reporting of Exploration Results.	moderate quality and only suitable for regional scale targeting
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	All relevant and material exploration data for the target areas and Lithium Rights discussed, have been reported.
Further work	<p>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</p>	Eastern Resources Limited is planning to undertake detailed mapping and sampling within the area