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HIGHLIGHTS

- **Grant of Trigg Hill exploration licence**
- **HOA executed to earn lithium rights in Taylor Lookout project**
- **Feasibility Study of Nowa Nowa Iron Project completed with positive outcomes**
- **MOU executed with a major Chinese lithium converter, Yongxing Special Materials Technology Co. Ltd, for a strategic partnership to acquire and develop lithium projects**

Eastern Resources Limited (“EFE” or the “Company”) is pleased to report on activities undertaken during the quarter ended 31 March 2022.

Trigg Hill Lithium-Tantalum Project

In February, Exploration Licence E45/5728 covering the Trigg Hill Lithium-Tantalum Project (Trigg Hill Project) was granted by the Department of Mines, Industry Regulation and Safety, WA. The E45/5728 has been granted to Amery Holdings Pty Ltd (Amery). The Company has an option to acquire a 100% interest in the Trigg Hill Project. (Refer to the Company announcement dated 4 August 2021).

The Company has completed due diligence on the Trigg Hill Project and was satisfied with the results. The condition of obtaining confirmation from ASX that Listing Rule 11.1.3 does not apply to the Transaction was also waived. Subsequently, the Company paid the Cash Option Fee and Shares as required by the HoA between the Company and Amery, and accordingly the Option of acquisition of the Trigg Hill Project was granted to the Company.

Taylor Lookout Project

During this quarter, the Company entered into a binding Heads of Agreement with Legacy Iron Ore Ltd (“Legacy Iron”) to earn up to 85% of the lithium and related metal rights which includes beryllium, caesium, niobium, rubidium, tantalum and tin (“Lithium Rights”) in the tenement E80/5066 (“Specified Minerals”) of the Taylor Lookout Project, located in the Kimberley region, Western Australia. (Refer to the Company announcement dated 28 February 2022).

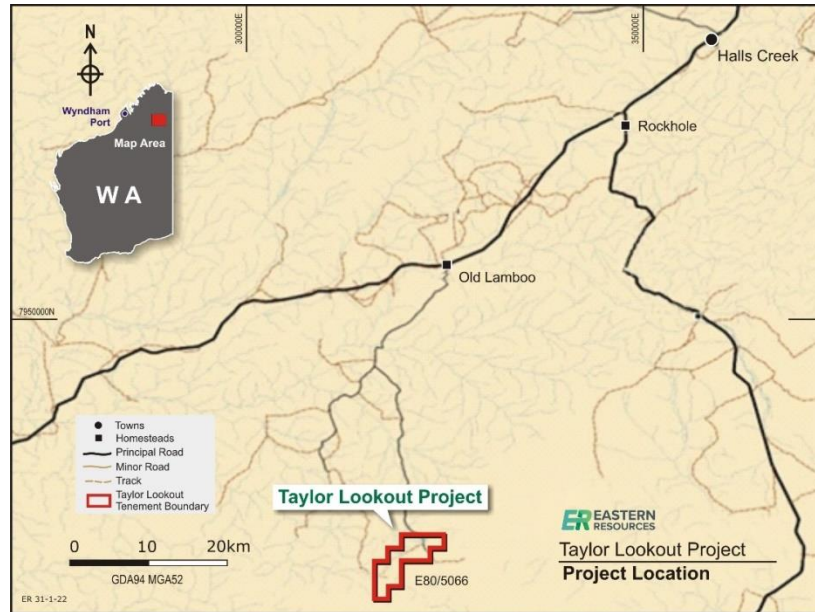


Figure 1 Location of Taylor Lookout Project

The Taylor Lookout Project is located approximately 80 km southwest of Halls Creek in the Kimberley region, and is situated within the Halls Creek Orogen, where 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 Taylor Lookout Project. 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.

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 has been 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 Taylor Lookout Project.

Pegmatites are common in the Taylor 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. No systematic follow-up exploration for tantalum has been undertaken on the Taylor Lookout Project. No exploration has been undertaken on pegmatites or for lithium on the tenement.

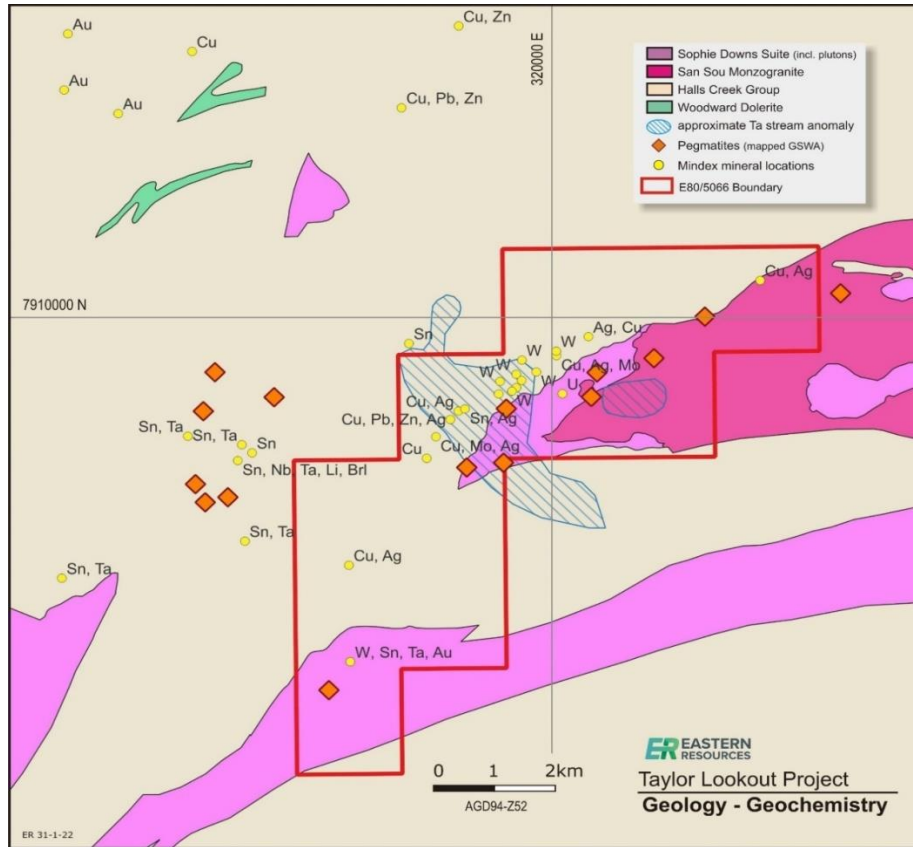


Figure 2 Taylor Lookout Project Geology

Eastern Lithium Pty Ltd (“Eastern Lithium”), a wholly owned subsidiary of the Company, will acquire up to 85% of the Lithium Rights for tenement E80/5066 of the Taylor Lookout Project (the “Transaction”), on the following key terms:

1. EFE to pay Legacy 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 execution of this 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.

Nowa Nowa Iron Project

In January 2022, the Company completed the Feasibility Study (“FS”) of the Nowa Nowa Iron Project, which confirmed the project economics for a 1.0Mtpa production rate over a 6 year LOM with magnetite direct shipping ore (“DSO”) product trucked to the Port of Eden for export. (Refer to the Company Announcement dated 24 January 2022).

Following completion of a positive FS, the Board has approved the commencement of an Environment Effects Statement (“EES”) for the Project, and appointed delivery specialist AECOM to lead the EES process. The EES approval process is a one-stop-shop permitting approach, which includes all planning and operating licence requirements for the development and operation of the Project.

During this quarter, an application was submitted to the Victorian Government for the grant of a Mining Licence MIN007876 over the Nowa Nowa Iron deposit in East Gippsland, Victoria.

Feasibility Study of Nowa Nowa Iron Project

The FS is the third assessment undertaken by EFE for the Project following completion of the Scoping Study in 2012 and Feasibility Study in 2014. The FS has been revised as of January 2022 to reflect the current product philosophy and operational approach, along with updated financial metrics.

The FS shows the Project is technically robust and under the assumptions of the FS would be likely to generate positive financial returns.

Key Outcomes

The following describes the key elements of the Project’s base case:

- Life of mine of approximately 6 years;
- Mining from a single pit, the Five Mile deposit, using conventional drill, blast, load and haul mining methodology;
- Project approximately 1 Mtpa magnetite direct shipping ore (DSO) -30 mm product with average grade of 51.75% Fe over the life of mine;
- Haulage via a trucking operation to the Eden port, 234 km one way from the mine site;
- Approximately 12 - 14 shipments per annum exported through the port, operated by Pentarch Logistics (ANWE);
- Capital cost of A\$15.7 million (15% contingency);
- Cash operating costs of A\$72.00 per tonne of DSO including royalties (FOB); and
- Pre-tax NPV (8%) of A\$61.94M and IRR of 11.8%.

Project Location

The Project is located 7 km north of the township of Nowa Nowa, Victoria. It is some 320km by road east of Melbourne, and approximately 234km by road west of the Port of Eden (see Figure 1).



Figure 3 Project Location

JORC Mineral Resource

The Mineral Resource at Five Mile was estimated by H&SC in accordance with the JORC Code 2012. H&SC estimated a total mineral resource of 9.05 Mt with an average iron content of 50.8%Fe, in the Measured, Indicated and Inferred categories as set out in Table 1 below.

Prospect	Measured		Indicated		Inferred		Total	
	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %
Five Mile	2.25	52.8	4.32	50.4	2.49	49.7	9.05	50.8

Table 1 - Five Mile Resource Estimate (cut off of 40% Fe)¹

Project Operation

The operating strategy is summarised as follows:

- Engage a mining contractor for ore extraction and stockpiling at the ROM pad;
- Engage a mining contractor for crushing plant encompassing all crushing, screening, and stockpiling;
- Engage a road haulage contractor for product haulage from the mine to the port;
- Product unloading, stockpile, reclaim, ship loading and all charges at the port; and
- Miscellaneous indirects and services for the supply of operations infrastructure and support.

The FS indicates a plan to produce magnetite DSO at a 1.0 million tonnes per annum over a six-year LOM (totally approximately 4.65 million tonnes).

An open cut mine is proposed, with an average waste to ore ratio of 3.22 over the six years mining including pre-strip period. Ore will be crushed and screened to produce DSO lump product (“Product”), with estimated average product grade of 51.75% over the LOM.

The Product will be trucked from mine to the Port of Eden predominantly by sealed road, where it will be stockpiled prior to being loaded directly into Panamax ship vessels for export to customers.

Estimated Timeframe

The estimated key milestone dates from the preliminary project execution schedule developed for the purposes of the FS are as follows.

Activity	Milestone Completion Timing
Feasibility Study Report	January 2022
Environment Effects Studies	June 2022
Workplan Approval granted	June 2023
Execution commencement	June 2023
Operations (mining) commencement	July 2023

Next Steps

The FS has determined that the Project is technically feasible, and on the assumption that the FS has positive financial returns. The Company will focus on the following additional works to advance the Project towards development:

- Infill drilling on Five Mile deposit to upgrade existing inferred resources to measured and/or indicated resources;
- Obtaining necessary approvals/ permits;
- Engagement and contract negotiations with key contractors and infrastructure providers;
- Detailed design works for on-site infrastructure and facilities, and for the modification of port facilities required;
- Engaging with potential offtake and financing partners;

Nowa Nowa Copper Project

No exploration work was carried out on Nowa Nowa Copper project.

Corporate

Strategic Partnership with Yongxing to Acquire and Develop Lepidolite Projects

In February, the Company executed a non-binding Memorandum of Understanding (MOU) with Yongxing Special Materials Technology Co. Ltd. to form a strategic partnership for acquisition and development of lepidolite projects in Australia, on the key terms as follows:

- YONGXING and the Company to establish a long term strategic partnership to identify, acquire and develop lepidolite hosted lithium projects.
- Within 3 months of the execution of the MOU, YONGXING and the Company to enter into a Strategic Partnership Agreement and a Joint Venture Agreement regarding the potential supply of lepidolite concentrates and the potential acquisition and development of lepidolite projects in Australia (Projects).

- YONGXING will be the exclusive partner of the Company and the Company will be the exclusive partner of YONGXING when either Party acquires and develops Projects. With mutual agreement by the Parties, a third party could join the parties to acquire and develop Projects.
- Before acquisition of the Projects, YONGXING and the Company to enter a joint venture (JV) outlining the mechanism and terms on which they will identify and acquire the Projects. The JV will be formed by the Company contributing A\$100,000 for a 60% interest in the JV and by YONGXING or its subsidiary contributing A\$900,000 for a 40% interest in the JV. The Parties will include terms for the extension or termination of the JV if there is no project acquisition within 12 months after formation.
- The JV will decide on acquisition of Projects and exploration activities as required. Including drilling, completing relevant permitting, feasibility studies and development of the Projects. The Parties will contribute to the costs of acquisition and operation of the JV on a pro rata basis, after the initial contributions referred to above.
- The Company will be the manager of the JV when (1) the Company has 35% or more interests in the JV, (2) a third party has 35% or less interest in the JV or (3) if YONGXING or its subsidiary sells part of its interests to a third party. Under any other circumstances, the Parties will negotiate to determine the manager of the JV.
- YONGXING will be granted a first right of refusal on offtake of all the Products on terms no less favourable to the JV than if the JV were to sell the Products to an independent third party in an arm's length transaction.

Company Secretary Appointment/Retirement

During this quarter, Mr Heath Roberts was appointed as Company Secretary, following the retirement of Mr Ian White. Mr Roberts is a Sydney based solicitor with over 25 years' experience as Company Secretary and/or Director of ASX listed entities.

New Project Search and Potential Acquisition

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

Financial Position

The cash and cash equivalents at the end of the quarter was approximately \$4.85 million.

Related Party Payments

During the quarter the Company made related party payments, at normal commercial rates, of \$46,667 (Excl GST) for Directors fees, and \$15,213 (Excl GST) for Company Secretarial services.

Tenement Schedule as at Quarter End

During the quarter, Gippsland Iron Pty Ltd, a wholly owned subsidiary of the Company, has withdrawn the application for EL5545, located in Nowa Nowa region, Victoria.

Tenement	Status	Holder	Current Interest	Notes
Nowa Nowa Project in Victoria				
EL006183	Granted	Gippsland Iron Pty Ltd	100%	
RL006488	Granted	Gippsland Iron Pty Ltd	100%	
MIN007876	Under application	Gippsland Iron Pty Ltd	100%	
Trigg Hill Project in Western Australia				
E47/5728	Granted	Eastern Resources Ltd	0%	1
Taylor Lookout Project in Western Australia				
E80/5066	Granted	Eastern Lithium Pty Ltd	0%	2

EL: Exploration Licence

RL: Retention Licence

MIN: Mining Licence

E: Exploration Licence

Gippsland Iron Pty Ltd and Eastern Lithium Pty Ltd are wholly owned subsidiaries of Eastern Resources Ltd.

Notes:

- 1. Subject to Heads of Agreement with Amery Holdings Pty Ltd announced on 4 August 2021 to earn up an 100% interest in E45/5728*
- 2. Subject to Heads of Agreement with Legacy Iron Ore Ltd announced on 28 February 2022 to earn up an 85% Lithium Rights in E80/5066*

Subsequent to Quarter End

In April 2022, the Company has completed its due diligence on the Taylor Lookout Lithium-Tantalum Project. All transaction conditions precedent of the HOA announced on 28 February 2022 have now been satisfied/waived by Legacy Iron Ltd and the Company.

The Company has recently undertaken due diligence on the Project and was pleased to identify numerous outcropping pegmatites during the site visit.



Figure 5 Pegmatites noted in the Project

A 12-month work program has been planned, and an exploration contractor has been secured to ensure field work to commence in June quarter.

Reference to the Company's previous ASX announcements:

- 21 May 2014: Resource Upgrade at Nowa Nowa Project
- 4 August 2021: Eastern Resources Acquires Option to Purchase Nowa Nowa Iron Project
- 24 January 2022: Positive Feasibility Study for Nowa Nowa Iron Project
- 27 January 2022: Nowa Nowa Application for ML and EES Commencement
- 22 February 2022: Grant of Trigg Hill Exploration Licence
- 25 February 2022: MOU with Yongxing on Lepidolite Project
- 28 February 2022: Eastern Resources Acquires Lithium Tantalum Project
- 11 April 2022: Taylor Lookout Project – Due Diligence Completed

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

INVESTOR INFORMATION

Further information, previous Company announcements and exploration updates are available at the News and Reports tab on the Company's website – www.easternresources.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

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 21 May 2014 and that all material assumptions and technical parameters underpinning the mineral resource estimates included in this ASX announcement continue to apply and have not materially changed. The estimates included in the Company's ASX announcement of 21 May 2014 were reported in accordance with the JORC Code, 2012.