

Quarterly Report

June 2022



ASX EFE
ABN 70 126 678 037

DIRECTORS
Eddie King
(Non-executive Chairman)

Myles Fang
(Executive Director)

Jason Hou
(Non-executive Director)

ADDRESS
Level 1, 80 Chandos Street
St Leonards, NSW 2065

T +61 2 9906 7551
E info@easternresources.com.au

Twitter @EasternEFE

HIGHLIGHTS

- **Outstanding assays results from rock chip samples from the Trigg Hill Project return up to 2.28% Li₂O, 1.23% Rb₂O, 1,552ppm Cs₂O, 514ppm Ta₂O₅ and 2,921ppm SnO₂.**
 - **one sample of sheared pegmatite from Trigg Hill South contained 10.0% Cu.**
- **Study Project and Consultation plan for Nowa Nowa Iron Project submitted to Department of Environment, Land, Water and Planning VIC.**
- **Strategic Partnership Agreement executed with a major Chinese lithium converter, Yongxing Special Materials Technology Co., Ltd, to acquire and develop lithium projects.**
- **Joint venture formed between Eastern Resources and Yongxing Special Materials Australia Pty Ltd for lithium projects, to increase focus on lepidolite lithium projects, seeking opportunities from exploration level targets through to operating mine.**

Eastern Resources Limited (“**EFE**” or the “**Company**”) is pleased to provide an overview of the Company’s activities for the period ending 30 June 2022 (“Quarter”, “Reporting Period”).

TRIGG HILL LITHIUM-TANTALUM PROJECT

During the Quarter, the Company conducted further traverse mapping, rock chip and soil sampling on the Trigg Hill Lithium-Tantalum Project (“Trigg Hill Project”).

A three-week fieldwork programme was conducted from the second half of April to early May 2022 for rock chip sampling and mapping. Terra Search, an experienced exploration contractor, was responsible undertaking the field work at the Trigg Hill Project.

During the reconnaissance, numerous pegmatites were observed. Traverse mapping on the Curlew swarm of pegmatites has confirmed that a large number of pegmatites occurred over at least 3km of strike and up to 1.2km in width east of the excluded Curlew emerald mine. Some of these pegmatites were visually confirmed to contain lepidolite (lithium mica) and formanite.

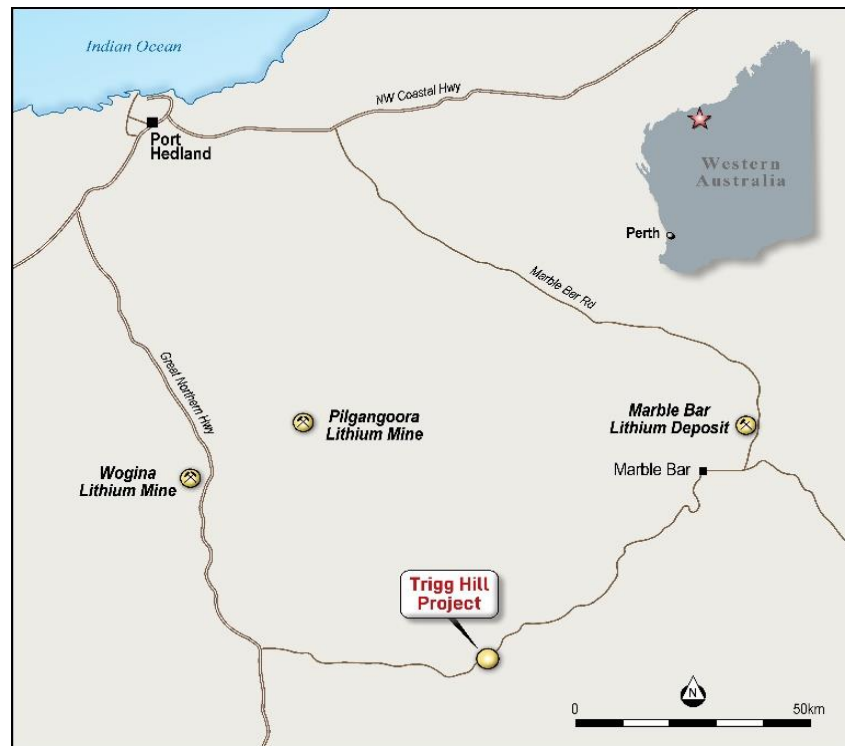


Figure 1: Location of Trigg Hill Project

Based on recent and prior exploration, the most prospective area for fractionated LCT pegmatites extends for 600m by 280m. Drilling has been recommended to test the larger, centrally located, moderate to steep dipping pegmatites and the relatively narrow flat lying pegmatites and for potential hidden parallel, flat lying pegmatites within the greenstone above the gneiss contact.

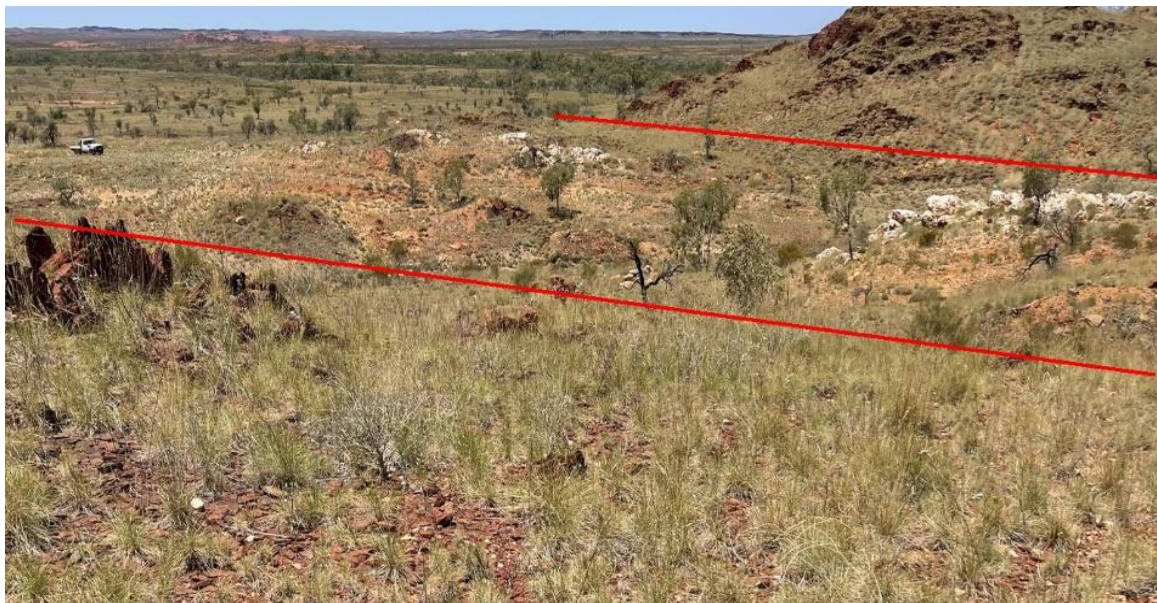


Figure 2: LCT pegmatite outcrops in Trigg Hill Project

Traverse mapping of the Curlew pegmatite swarm was successful in locating numerous pegmatites over an area of 3km along strike and 300m to 1.2km across strike. The pegmatites vary in width, dip and mineralogy. Several of the more extensive pegmatite dykes in the Curlew pegmatite swarm appear to be interconnected.

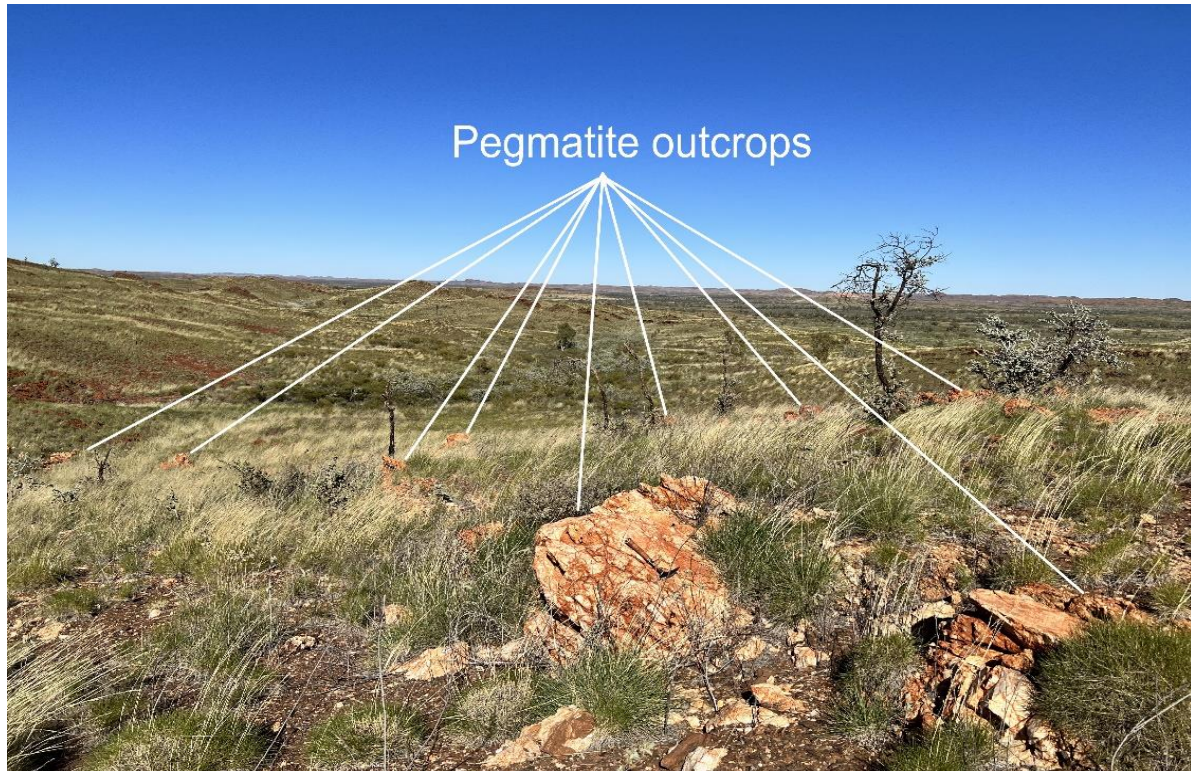


Figure 3: LCT pegmatite outcrops at Curlew East

Field works in this Quarter visually confirmed the presence of LCT pegmatites containing lepidolite (lithium mica) and formanite, which is consistent with historic work.

During the reporting period, a total of 96 rock chip samples and 5 stream samples were collected across the project areas and subsequently delivered to Perth for analysis. In addition, 221 soil samples were collected along traverses across the Curlew pegmatite swarm. The soil and stream samples from this traverse also were submitted for laboratory analysis.

A Programme of Work ("PoW") has been lodged and an initial 2,000m drill program has been planned, targeting both spodumene and lepidolite. Drill site and access planning is well advanced with the aim of testing both the vertical and low angle mineralised pegmatites.

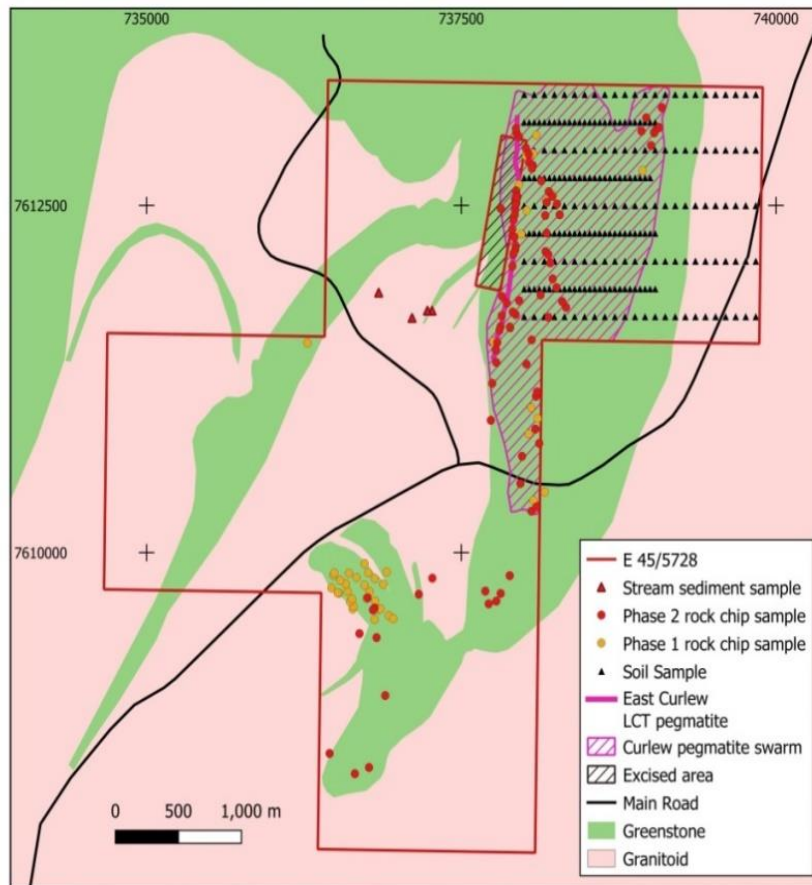


Figure 4: Distribution of rock chip samples, stream samples and soil samples

TAYLOR LOOKOUT PROJECT

During the Quarter, the Company completed its due diligence on the Taylor Lookout Lithium-Tantalum Project ("Taylor Lookout Project"), which the Company entered into a binding Heads of Agreement with Legacy Iron Ltd to acquire 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 of the Taylor Lookout Project, located in the Kimberley region, Western Australia.

All transaction conditions precedent of the HOA announced on 28 February 2022 have been satisfied/waived by Legacy Iron Ltd and the Company.

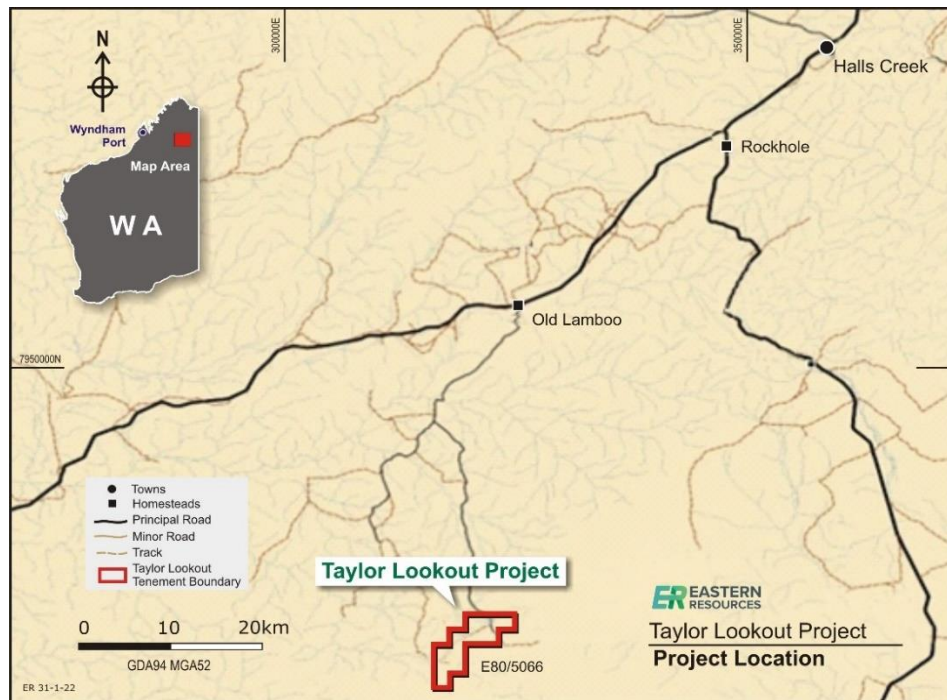


Figure 5: Taylor Lookout Project Location

Numerous outcropping pegmatites were identified during a site visit to the project, and a work program has been planned. The initial two-week field work is planned to commence once the Company has received approval from the Kimberley Land Council for the Heritage Impact Assessment (HIA) Application which was submitted in the second half of April 2022.



Figure 6: Pegmatites noted in the Tylor Lookout Project

NOWA NOWA IRON PROJECT

Following completion of a positive feasibility study for the Nowa Nowa Iron Project (refer ASX Announcement - 24 January 2022), the Company submitted the Study Program Addendum and a Consultation Plan to the Department of Environment, Land, Water and Planning, VIC (DELWP) during the Quarter. The EES approval process is an all inclusive permitting approach, which includes all planning and operating licence requirements for the development and operation of the Project.

A Scope of Work for the studies has been prepared and the Company has requested from the consultants conducting the studies for a description of the existing environment at the project site. Some of the studies have been engaged during the Reporting Period.

NOWA NOWA COPPER PROJECT

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

CORPORATE

Strategic Partnership with Yongxing for Lepidolite Projects

In June, EFE Yongxing Pty Ltd ("JV Company") was incorporated by Eastern Resources and Yongxing Special Materials Australia Pty Ltd ("YSMA"), a subsidiary of Yongxing, with the JV Company to actively seek lepidolite opportunities from exploration stage through to projects with established resources, and will investigate any potential opportunities regarding producing lepidolite concentrates/DSO by co-operating with operating lithium mines and lithium projects in advanced stages.

The Joint Venture is subsequent to the Company executing a Strategic Partnership Agreement with Yongxing during the Quarter to form an exclusive strategic partnership for acquisition and development of lepidolite projects in Australia, on the key terms as follows:

- Yongxing and the Company wish to establish a long-term strategic partnership for the potential supply of lepidolite concentrates, and the potential acquisition and development of lepidolite projects (Projects).
- Yongxing will be the exclusive partner of the Company, and the Company will be the exclusive partner of Yongxing when either Party seeks, acquires and develops the Projects.
- Before acquiring the Projects, Yongxing and the Company wish to enter a joint venture relationship for seeking Projects. The parties agree in principle that:
 - A joint venture (Pre-Acquisition JV) will be established to carry out works related to pre-acquisition of Projects.
 - The interests in the Pre-Acquisition JV will be 60% for the Company and 40% for Yongxing or its subsidiaries.
 - The funding contributions to the Pre-Acquisition JV will be \$100,000 by the Company and \$900,000 by Yongxing.
 - The parties will discuss the termination or continuation of the Pre-Acquisition JV if no acquisition of a Project occurs within 12 months after formation of the Pre-Acquisition JV.
- When Yongxing and the Company make a decision on acquiring any Projects, the Parties will enter a joint venture (Lepidolite JV) for the acquisition and development of the Projects, on the following key principles:

- The Lepidolite JV is to be responsible for carrying out further exploration drilling, completing a feasibility study, and development of the Projects.
 - The interests of the Parties in each Lepidolite JV will be 60% for the Company and 40% for Yongxing or its subsidiaries, or the interests as mutually agreed when the parties form each Lepidolite JV.
 - Both parties to contribute to the costs of operation of the Lepidolite JV on a pro rata basis.
 - With mutual agreement by the Parties, either Party can sell part of or all its equity interests to a third party, and the Parties will hold a pre-emptive right on any sale of another party's joint venture interest to acquire that interest on the same terms offered to the third party (Pre-emptive Right). The Pre-emptive Right does not apply when either party sells part of or all its joint venture interest to a wholly owned subsidiary and/or an entity controlled by that party.
 - The Company is to be the manager of the Lepidolite JV, subject to holding a 35% or greater interest in the Lepidolite JV and if Yongxing (or its subsidiaries) sells part of its joint venture interest to a third party resulting in that third party holding a joint venture interest in the Lepidolite JV of not more than 35%. Under any other circumstances the joint venture parties will negotiate to determine the manager of the Lepidolite JV.
- Yongxing will be granted a first right of refusal on offtake of lepidolite products from any of the JV projects.
 - Any further transactions pursuant to the Strategic Partnership Agreement remain subject to formal agreement.

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 \$4.61 million.

RELATED PARTY PAYMENTS

During the quarter the Company made related party payments, at normal commercial rates, of \$56,000 (Excl GST) for Directors fees and Directors consulting services, and \$9,000 (Excl GST) for Company Secretarial services.

TENEMENT SCHEDULE AS AT QUARTER END

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				
E45/5728	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 is a wholly owned subsidiary of Eastern Resources Ltd.

Eastern Lithium Pty Ltd is a wholly owned subsidiary 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 July 2022, the Company received assays results from the first 124 rock chip samples collected during the Quarter from the Trigg Hill Project, which confirms highly anomalous levels of lithium (Li), caesium (Cs), Tantalum (Ta) and Tin (Sn), confirming the presence of fractionated LCT pegmatites. Of the samples collected from the large East Curlew pegmatite swarm, at least 80% were from LCT pegmatites, with peak values of 2.28% Li₂O, 1.23% Rb₂O, 1,552ppm Cs₂O, 514ppm Ta₂O₅ and 2,921ppm SnO₂, and one sample of sheared pegmatite from Trigg Hill South contained 10.0% Cu. (refer to the Company Announcement dated 8 July 2022).

In July 2022, Yongxing and the Company commenced evaluation of lithium projects and conducted a site visit of a lithium project located in WA.



Figure 7: Site visit of WA lithium project by Yongxing representative



Figure 8: Pegmatite rock chip sample found at site visit

Reference to the Company's previous ASX announcements:

- 24 January 2022: Positive Feasibility Study for Nowa Nowa Iron Project
- 8 April 2022: Due Diligence Satisfied for Taylor Lookout Lithium-Tantalum Project
- 4 May 2022: Strategic Partnership Executed with Yongxing
- 5 May 2022: Confirmation of Extensive LCT Pegmatites at Trigg Hill Lithium-Tantalum Project
- 12 May 2022: Completion of Phase II Field Work at Trigg Hill Lithium-Tantalum Project
- 10 June 2022: Joint Venture with Yongxing for Lithium Projects
- 8 July 2022: Outstanding Lithium Assays at Trigg Hill Project

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 Investors tab on the Company's website – www.easternresources.com.au

ABOUT EASTERN RESOURCES LIMITED

Eastern Resources Limited (ASX: EFE) is an Australia based ASX-listed, emergent lithium focused exploration and development company.

The Company has option to acquire 100% interest in the Trigg Hill Lithium-Tantalum Project which is strategically located in the historical lithium-tin-tantalum district in the Pilbara (WA), and has the right to acquire up to 85% Lithium Rights in the Taylor Lookout Lithium-Tantalum Project in Kimberley region (WA).

The Company has formed strategic partnership with Ya Hua International Investment and Development Co. Ltd, a wholly owned subsidiary of Yahua Group which is one of the largest Chinese lithium converters, to acquire and develop spodumene projects. The Company also has executed Strategic Partnership Agreement with Yongxing Special Materials Technology Co. Ltd. ("Yongxing") to acquire and develop lepidolite projects. Yongxing is one of the major Chinese lithium converters using lepidolite concentrates as feed to produce battery grade lithium carbonate. These two strategic relationships provide Eastern Resources with excellent coverage over the primary lithium sources.

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

Myles Fang
Executive Director
Phone: 02 9906 7551

Jane Morgan
Investor and Media Relations
jm@janemorganmanagement.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