





# Contents

|  |    |
|--|----|
| Review of Operations .....                           | 1  |
| Tenement Schedule and Resource Summary .....         | 14 |
| Directors' Report .....                              | 16 |
| Auditor's Independence Declaration .....             | 23 |
| Consolidated Statement of Comprehensive Income ..... | 25 |
| Consolidated Statement of Financial Position .....   | 26 |
| Consolidated Statement of Cash Flows .....           | 27 |
| Consolidated Statement of Changes in Equity .....    | 28 |
| Notes to the Consolidated Financial Statements ..... | 29 |
| Directors' Declaration .....                         | 49 |
| Independent Auditor's Report .....                   | 50 |
| Additional Information .....                         | 54 |



# REVIEW OF OPERATIONS

## HIGHLIGHTS

- Eastern Resources completed acquisition of 70% interest in Lepidolite Hill Lithium Project
- Binding Agreement executed to acquire 50% interest and 100% all mineral rights except beryl minerals in Curlew Mine Project
- Significant thickness of near surface pegmatites and spodumene identified at Trigg Hill Project
- Encouraging results from the drilling program at the Trigg Hill Project, with hole ECRC009 returning 3m at 1.01% Li<sub>2</sub>O
- Highly experienced mining executive Mr Mark Calderwood joins Eastern Resources
- Ya Hua International Investment and Development Co Ltd. becomes a substantial shareholder of Eastern Resources

## LITHIUM PROJECT

### Trigg Hill Lithium Project

During the financial year, the Company completed three phases of rock chip and soil sampling at the Trigg Hill Lithium Project, confirming the presence of fractionated lithium caesium and tantalum (LCT) pegmatites. Of the rock chip samples collected from the large East Curlew pegmatite swarm, at least 80% were from LCT pegmatites, with peak values of 2.28% Li<sub>2</sub>O, 1.23% Rb<sub>2</sub>O, 1,552ppm Cs<sub>2</sub>O, 514ppm Ta<sub>2</sub>O<sub>5</sub> and 2,921ppm SnO<sub>2</sub> (ref ASX: 8 July 2022). The soil samples returned strongly anomalous lithium (Li), tantalum (Ta) and tin (Sn), with peak values of 517ppm Li<sub>2</sub>O, 95ppm Ta<sub>2</sub>O<sub>5</sub> and 922ppm SnO<sub>2</sub>. (ref ASX: 8 August 2022).

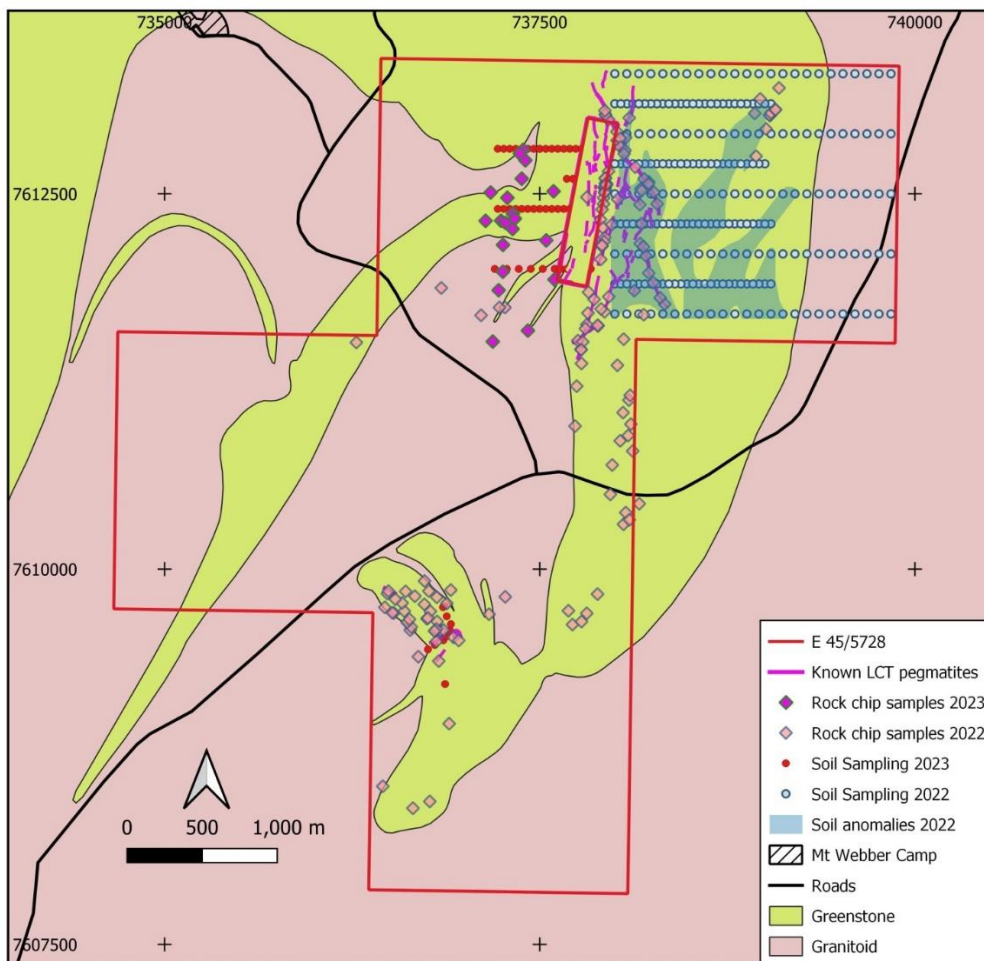


Figure 1: Samples Location at Trigg Hill Project

## REVIEW OF OPERATIONS

Following the completion of phase II mapping and sampling, the Company commenced a drilling campaign in September 2022, aiming to test a number of vertical and low angle LCT pegmatites to obtain an understanding of zonation and lithium mineralisation.

Two phases of reverse circulation (RC) drilling programmes comprising of 46 holes totalling 4,282m were successful in intercepting pegmatites, which indicate the presence of spodumene. Multiple thick downhole intervals were intersected, including:

- ETRC001: 3 pegmatite intervals totalling 29m from 60m hole including 17m from surface
- ETRC006: 7 pegmatite intervals totalling 88m from 128m hole including 39m from 51m
- ETRC008: 2 pegmatite intervals totalling 43m in 63m hole including 37m from surface
- ETRC009: single pegmatite interval of 65m from surface in 68m hole
- ETRC010: 3 pegmatite intervals totalling 57m in 64m hole including 43m from 20m
- ETRC011: 5 pegmatite intervals totalling 58m in 86m hole including 30m from 55m
- ECRC009: 3 pegmatite intervals totalling 19m in 66m hole including 13m from 49m
- ECRC020: 3 pegmatite intervals totalling 19m in 84m hole including 9m from 46m
- ECRC023: 5 pegmatite intervals totalling 26m from 150m hole including 19m from 108m
- ECRC031: 5 pegmatite intervals totalling 16m in 150m hole including 9m from 78m
- ECRC034: 5 pegmatite intervals totalling 20m in 198m hole including 12m from 143m



*Figure 2: Pegmatite samples of ETRC011 at Trigg Hill Project*

Drilling intercepted anomalous lithium including two pegmatites intercepted in ECRC009 which are confirmed to contain spodumene. Drill hole ECRC009 returned 3m at 1.01%  $\text{Li}_2\text{O}$  from 54m, including 2m at 1.30%  $\text{Li}_2\text{O}$  from 54m (ref ASX: 11 January 2023). The drilling programmes were designed to test a number of vertical and low angle pegmatites with shallow wide-spaced RC holes to obtain an understanding of zonation and lithium mineralisation.

# REVIEW OF OPERATIONS

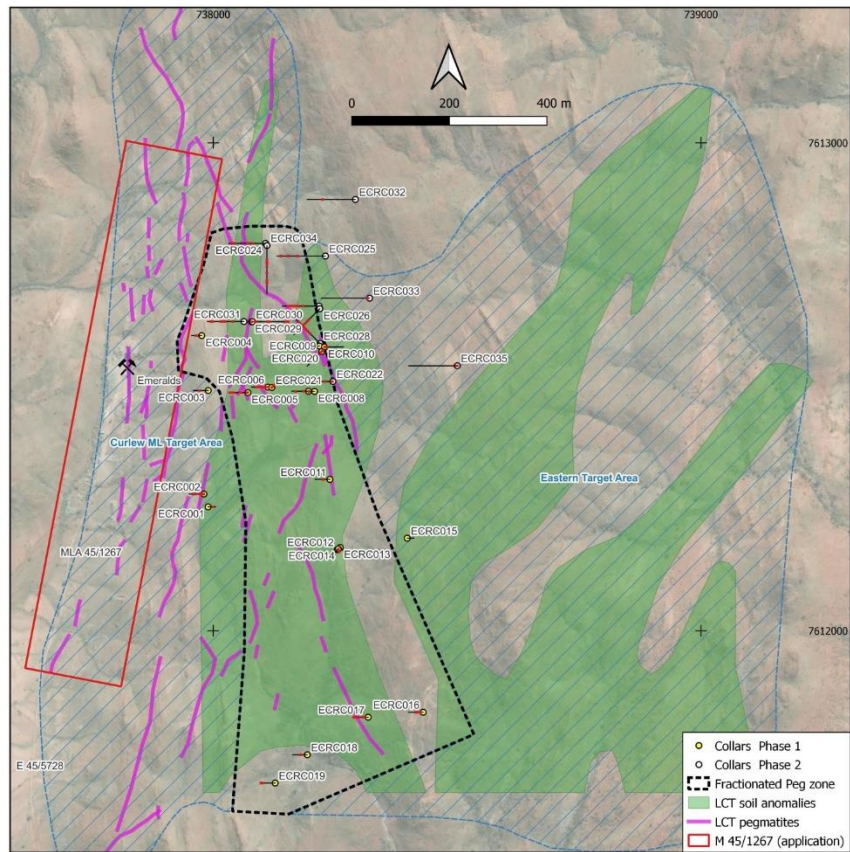


Figure 3: East Curlew drill hole location

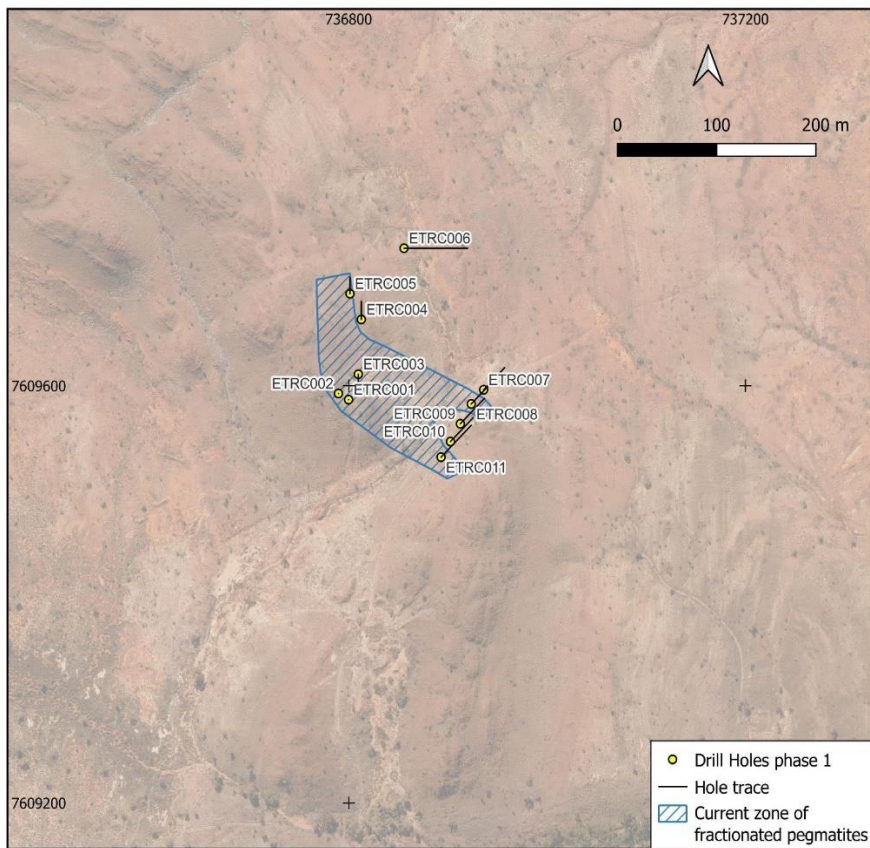


Figure 4: Trigg Hill drill hole location

# REVIEW OF OPERATIONS

Of the 79 pegmatites intercepts from the 32 holes drilled in the maiden drilling campaign in October 2022, a total of 27 pegmatite intercepts returned anomalous lithium, tantalum or tin, with 12 containing values in excess of 0.1%. Li<sub>2</sub>O ECRC009 intercepted three lithium pegmatites and included confirmed spodumene occurrences in two of the pegmatites based on XRD analysis. Phase II drilling completed in December 2022 has extended the Curlew east pegmatite swarm to the north and based on logging and fluorescence there are apparent indications of spodumene (ref ASX: 11 January 2023).

The assay results from phase II drilling and maiden RC drilling campaigns confirm the pegmatites at East Curlew have medium to high fractionation, hosting strongly anomalous lithium. The elevated values of tantalum, tin, caesium and rubidium with the lithium mineralisation also support the interpretation of fractionated pegmatites that are fertile for commercial lithium deposits. Drilling to date shows the lithium is associated with spodumene. Logging and assays indicate that in the area drilled a significant portion of the spodumene has been partially stripped of lithium through secondary alteration.

The two phases of drilling provide enough information to allow modelling of fractionation and mineralisation vectors with the aim of predicting areas more likely to contain increased levels of unaltered spodumene.

## Curlew Mine Project

In the March Quarter 2023, the Company entered into an Amended and Restated Option Agreement and a Deed of Assignment and Assumption with Amery Holdings Pty Ltd and Curlew Mine Pty Ltd to acquire 50% ownership of the Tenement including 100% interests of all mineral rights except beryl minerals in the Tenement and exercised its option through its wholly owned subsidiary Eastern Lithium Pty Ltd.

The Curlew Mine is within the Trigg Hill Lithium Project, which is located in East Pilbara, Western Australia about 225km by road from Port Hedland.

The Tenement comprises 1 Mining Lease Application (M45/1267) which covers 22 Ha.

| ML No.   | Permit Name | Status      | Area (Ha) |
|----------|-------------|-------------|-----------|
| M45/1267 | Trigg Hill  | Application | 22        |

The Curlew Mine is an open cut emerald deposit, which was discovered prior to 1940. It was mined from 1976-1982 and then again in recent years.

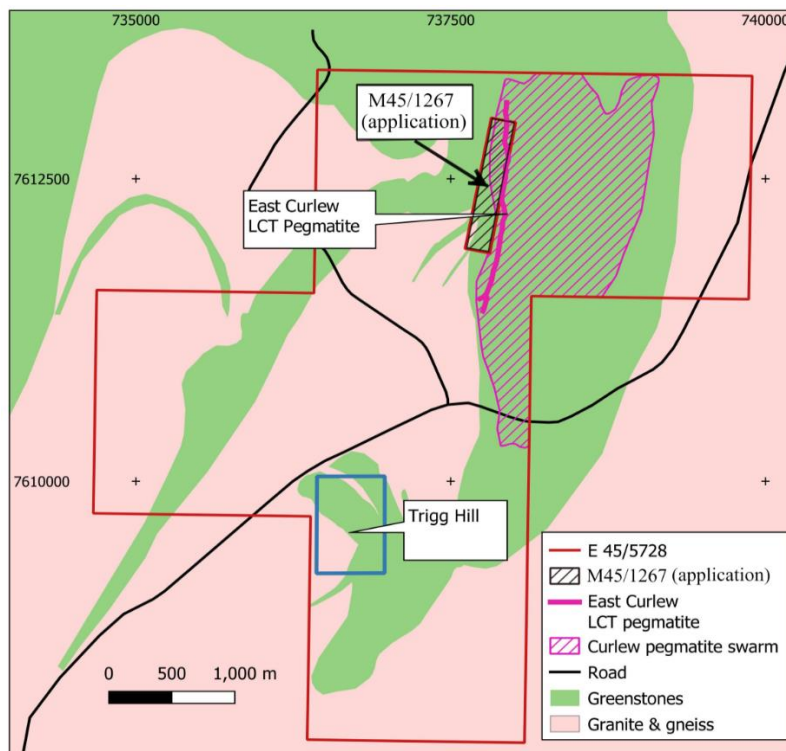


Figure 5: Curlew Mine Tenement and Trigg Hill project with known and potential pegmatites

# REVIEW OF OPERATIONS

A number of pegmatites to the north and east of the Curlew Mine were identified including the larger pegmatites in the northern part of the Tenement. The East Curlew LCT pegmatite previously sampled by Lithium Australia (ASX: LIT) which delivered up to 2.9% Li<sub>2</sub>O (ref ASX: 4 August 2021) extends for 1,800m and straddles the border between the Tenement and the Company's Trigg Hill Project (ref ASX: 5 May 2022). No drilling has been undertaken on any of the pegmatites in the Tenement.

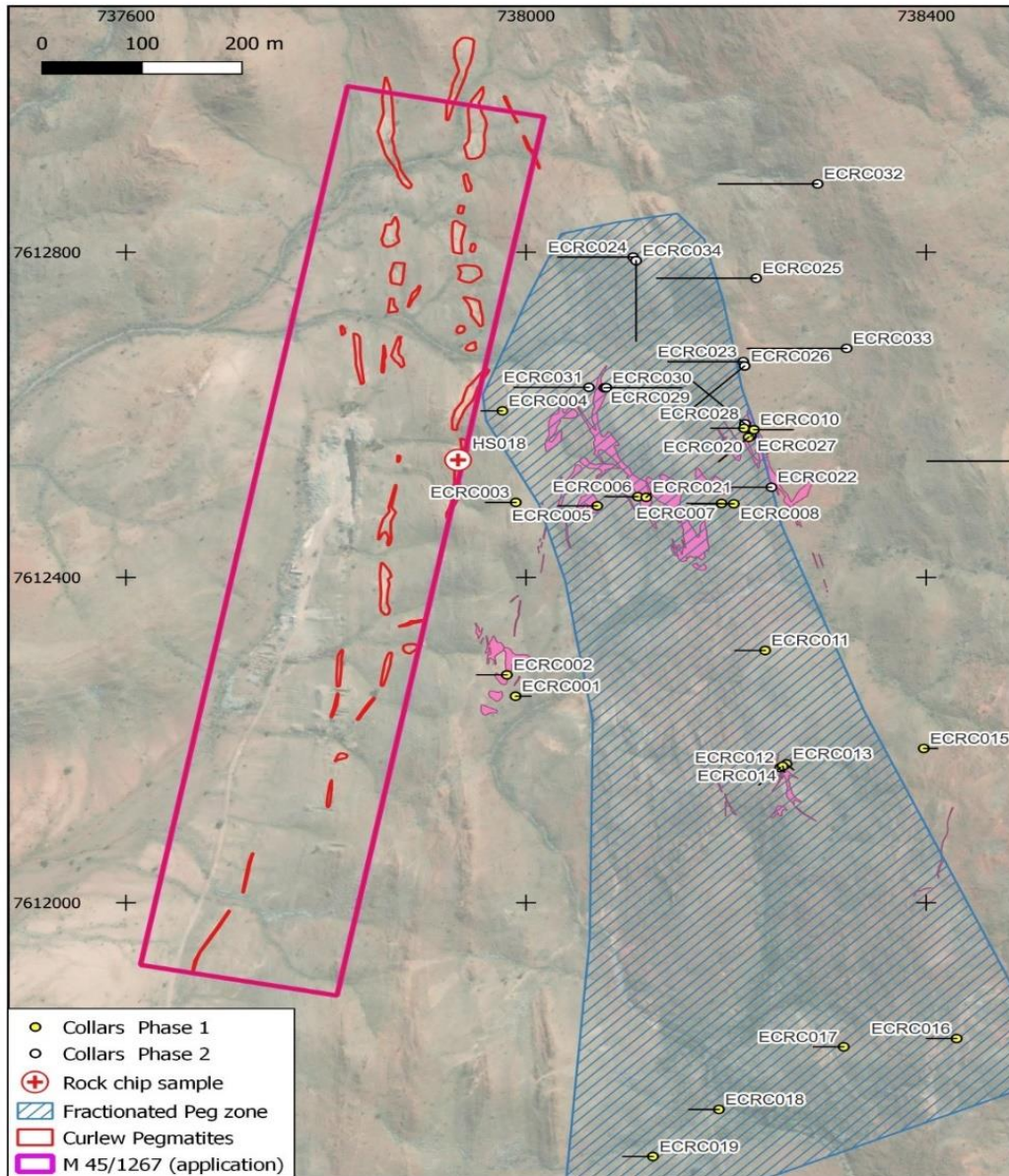


Figure 6: Curlew Mine Tenement and drill hole location at Trigg Hill Project

The key terms of the Agreement as follows:

- The Company will refund Amery \$5,000 option fee which has been paid by Amery to Curlew. The Option will expire on 5 February 2023 (Option Period), and the Company will reimburse Amery the costs in relation to the Option Agreement
- The Company can exercise the option during the Option Period to acquire 50% ownership of the Tenement including 100% interests of all minerals other than beryl minerals by paying Curlew \$150,000 in cash
- Curlew remains the holder of 100% interest in the beryl rights

# REVIEW OF OPERATIONS

## Lepidolite Hill Lithium Project

In the June Quarter 2023, the Company completed the acquisition of a 70% interest in the Lepidolite Hill Lithium Project (ref ASX: 8 May 2023 and ASX: 7 June 2023).

The Lepidolite Hill Lithium Project is strategically located in the Southern Yilgarn lithium belt and is approximately 390 km by sealed road from the Port of Esperance. It is approximately 18 km south-southwest of Coolgardie WA, and 32 km west of the Mt Marion Lithium mine.

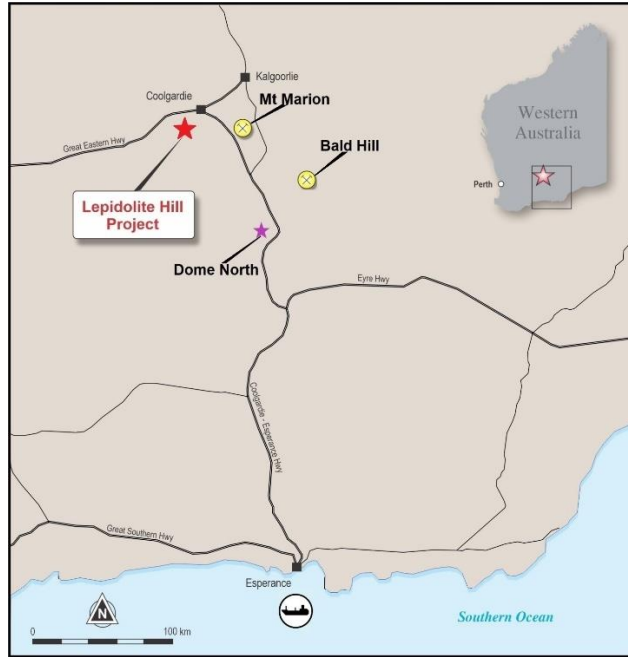


Figure 7: Lepidolite Hill Lithium Project Location

The Project consists of three Prospecting Licenses P15/5574, 5575 and 5739 which are the subject of a Mining Lease application 15/1874 (“Tenement”). The combined area totals 1.07 km<sup>2</sup>, centered on the shallow lithium mine pit, which is about 150 m long, 60 m wide, and 15 m deep.

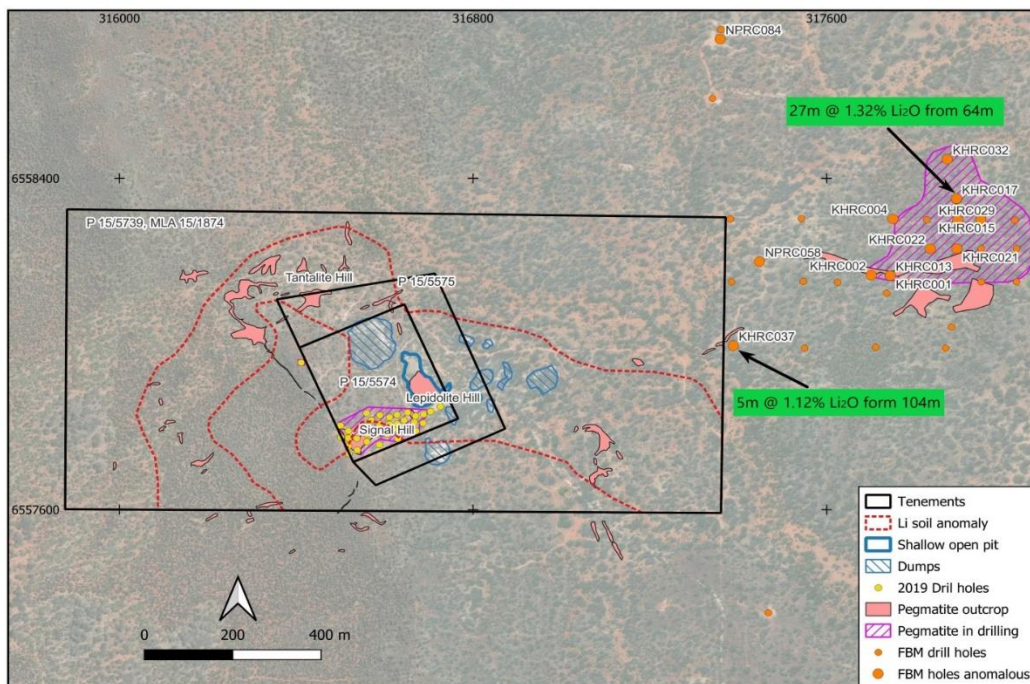


Figure 8: Lepidolite Hill Project Tenements and FBM drill holes



# REVIEW OF OPERATIONS

The Lepidolite Hill deposit was first discovered in 1944 and named as Lepidolite Hill shortly thereafter. Western Mining Corporation explored the site in 1964, and the deposit was trial mined for lepidolite and petalite from 1971 until 1973.

The Lepidolite Hill Project covers pegmatite swarms known to contain lepidolite, petalite, tantalite and beryl. Lepidolite is most abundant at Lepidolite Hill, where, in addition to lithium, the mica contains high concentrations of rubidium. Recently, thick spodumene bearing pegmatites have been identified at the Kangaroo Hills lithium project which is immediately east of the Lepidolite Hill Project (refer to FBM announcement 17 May 2023).

In 2019, Lithium Australia Ltd completed a RC drilling program within the Tenement. Pegmatite horizons were encountered in all drill holes and visual lepidolite and/or petalite and zinnwaldite were recorded in 19 out of the 35 drill holes, demonstrating that further lithium- bearing pegmatite horizons are present.

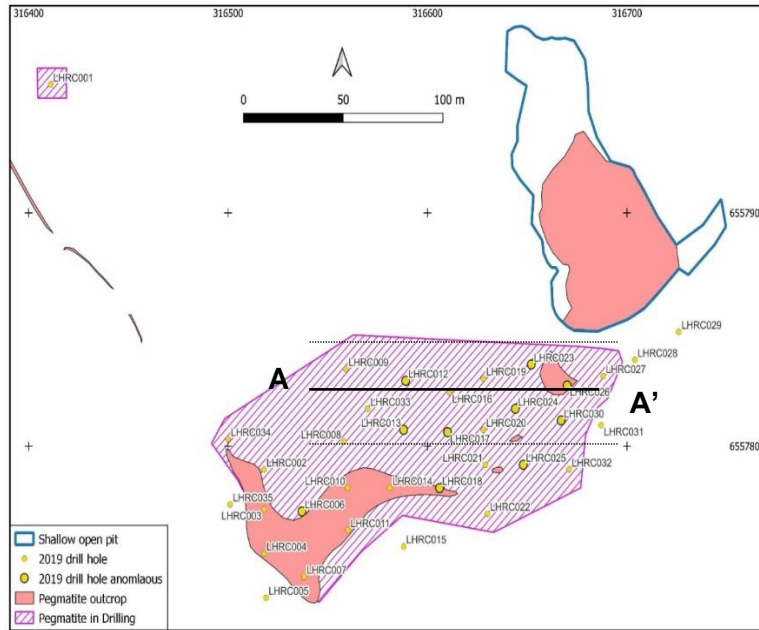


Figure 9: Drill hole location of Lepidolite Hill, 2019, section A-A' in Figure 10

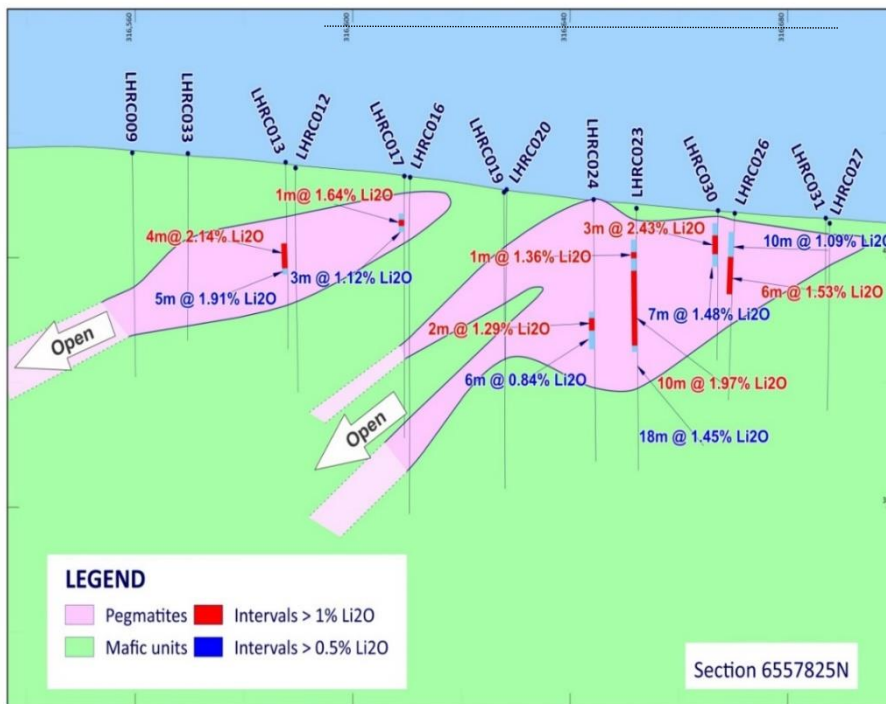


Figure 10: Cross section A-A' along 6557825N

## REVIEW OF OPERATIONS

Since 2014, LIT has conducted lithium extraction testwork on the Lepidolite Hill Project to potentially commercialise the hydrometallurgical extraction of lithium and rare metals from a range of silicate materials. Lepidolite from the dumps at the Lepidolite Hill Project was used as feed material in a 10-day continuous mini-plant processing trial, completed at a Perth laboratory. It led to the production of a total of 7.7 kg of high purity lithium carbonate (99.57% pure), with 94% recovery from leach liquor (ref ASX: LIT 12 August 2015).

In 2018, testwork on pre-sorting of products from the Lepidolite Hill Project indicated successful separation of lithium micas using an X-ray transmission ore sorting method. Chemical analysis of product and waste streams supported the successful partitioning of lepidolite lithium (more than 90%) in ore sorting product versus ore sorting reject material. However, some of the reject material is shown to also contain lithium, probably in the form of petalite which may provide an additional revenue stream. (ref ASX: LIT 18 April 2018).

The key terms of the Agreement between the Company and LIT, Eastern Lithium Pty Ltd as follows:

- EFE to pay LIT A\$550,000 in cash in three tranches to acquire 70% interest in the Lepidolite Hill Project. The Tranche 1 (\$50,000) and Tranche 2 (\$100,000) payments under the Agreement were made to LIT during the quarter. The Tranche 3 (\$400,000) payment will be made on grant of the Mining lease and transfer of the Mining Lease to Eastern Lithium.
- On Completion, an unincorporated joint venture shall be formed between Eastern Lithium and LIT, in which the initial Participating Interests of Eastern Lithium and LIT will be 70% (Eastern Lithium) : 30% (LIT) for the exploration of the Project. Eastern Lithium will be the initial Manager of the joint venture.
- LIT will be free carried in the joint venture until completion of a Definitive Feasibility Study of the Project as notified to LIT (“DFS Notice date”).
- Eastern Lithium may acquire LIT’s remaining 30% interest by paying A\$1,000,000 in cash or Eastern Resources shares any time before the DFS Notice Date, and may acquire LIT’s remaining 30% interest for fair market value within 3 months of the DFS Notice Date if LIT elects to sell its interest in the Project.

### Yalgoo West Project

In September 2022, the Company received confirmation from the WA Department of Mines, Industry Regulation and Safety, in relation to the granting of Yalgoo West Project tenement, E59/2653 and E59/2654. Two new exploration licences have been granted to Eastern Lithium Pty Ltd, a wholly owned subsidiary of the Company.

The Yalgoo West Project is located in the Murchison region of Western Australia about 190km by road from Geraldton where a port facility is used for export of bulk commodities. The Project comprises of 2 Exploration Licences E59/2653 and E59/2654, which covers approximately 214 km<sup>2</sup>.

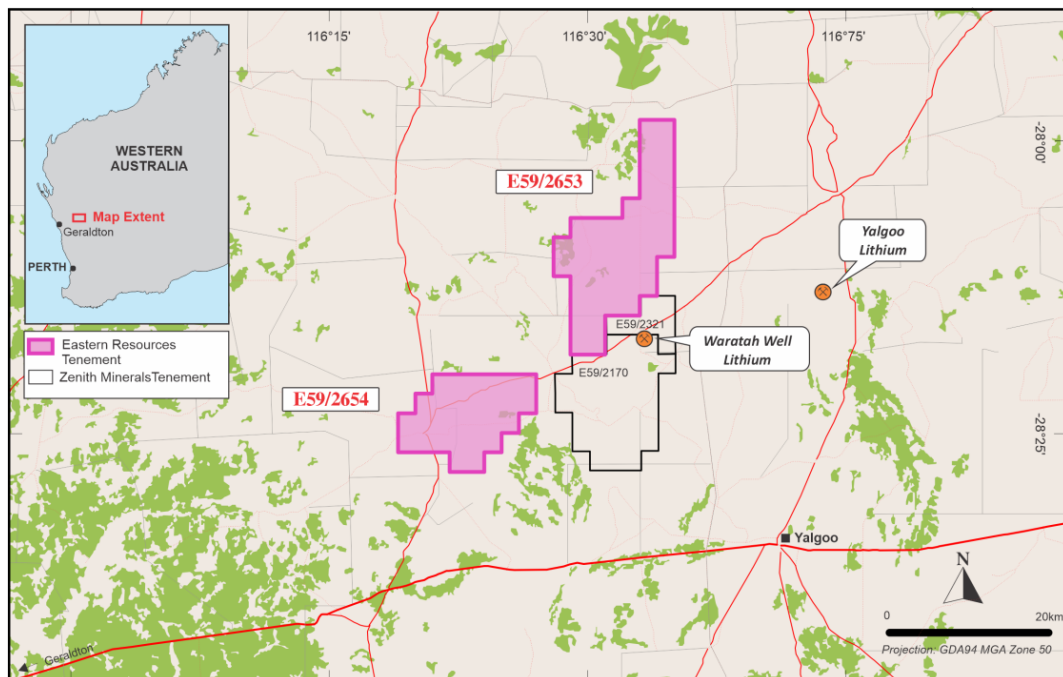


Figure 11: Location of Yalgoo West Project

# REVIEW OF OPERATIONS

The Yalgoo West Project is located immediately to the south of Zenith Minerals' Waratah Well Lithium Project Drilling on the Waratah Well Lithium Project completed by Zenith Minerals confirmed the presence of widespread lithium bearing pegmatite dykes over a 4km zone, open to the north and east under soil cover (ref ASX: Zenith Minerals 10 March 2022). The Yalgoo Tenement is also within a short distance from Firetail Resources' Yalgoo Lithium Project.

The Yalgoo region is considered prospective for LCT pegmatite deposits. Mapping by the Geological Survey of Western Australia has highlighted a number of pegmatite occurrences in this region. There has been no previous lithium exploration carried out in the Yalgoo Tenement.

Following on from the grant of the tenements, the Company conducted a site visit in October. Multiple pegmatite outcrops have been identified within the project. The zone observed contains prospective outcropping pegmatites covering an irregular area of about 1.2km x 600m, which occurs within an area of sub to outcropping greenstone. The occurrence of large pegmatites and clusters of pegmatites is encouraging.

In May 2023, the Company conducted a soil sampling program as a first stage assessment over the Yalgoo West pegmatites. The program targeted the north segment of the Project where the greenstone belt is situated. A total of 550 soil samples were collected at various spacings between 40m and 160m apart on lines varying from 100m to 400m apart. Soil sampling was used because the outcrops of pegmatites were poor and erratic although the depth to basement rocks is believed to be shallow.

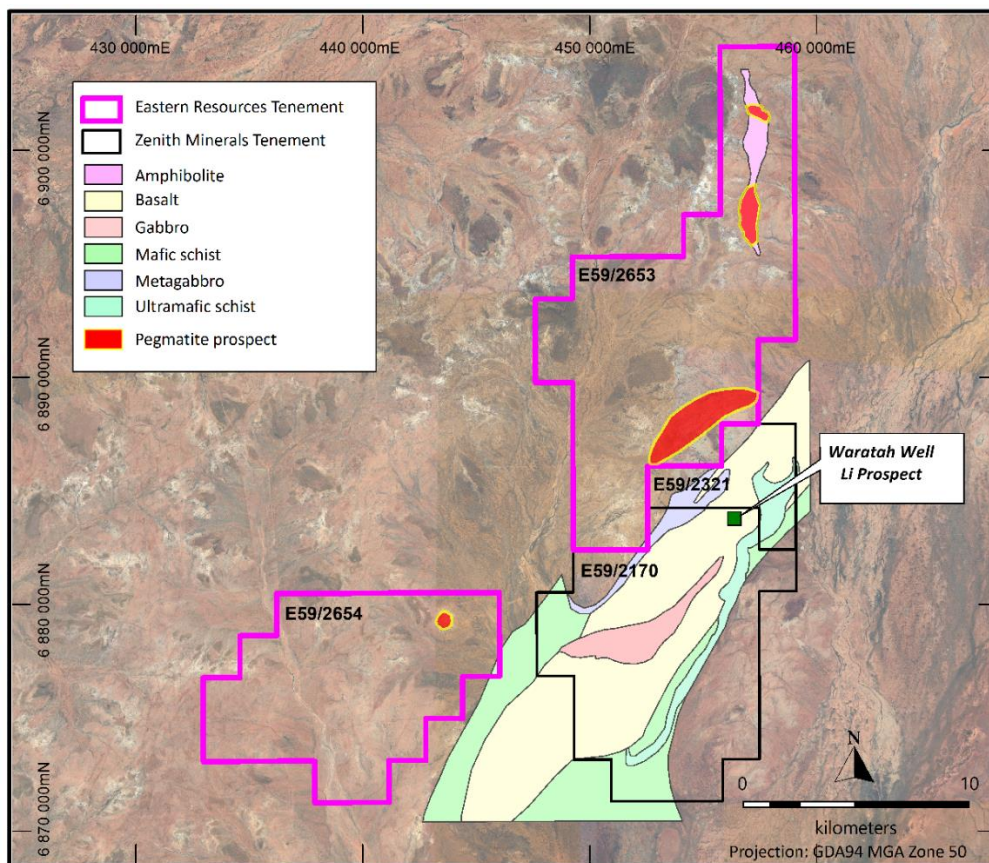


Figure 12: Geology map showing the pegmatites identified at Yalgoo West Project

## Taylor Lookout Lithium Tantalum Project

In October 2022, a Heritage Inspection was completed at the Taylor Lookout Project in the Kimberley Region, Western Australia. The inspection was conducted in September 2022 and covered areas impacted by the Company's proposed exploration activities and the Report received in October 2022.

## REVIEW OF OPERATIONS



*Figure 13: The Survey Team at Taylor Lookout Project*

Following receipt of the Heritage Inspection report, the Company conducted surface mapping to assess the tenement for pegmatite-hosted LCT mineralization and to define targets for further field works.

Flooding generated by ex-Tropical Cyclone Ellie in December 2022 and January 2023 caused significant damage to the Great Northern Highway in the Kimberley and as a result the tenement could not be accessed in the following Quarters. The Company has been monitoring the access conditions and plans to conduct field work when the site can be accessed.

### **Lake Johnston Project**

In late 2022, tenements at the Lake Johnston Project were granted and the Company proceeded to work with the Native Title Groups on the Heritage Agreements. In May 2023, the Company and Native Title Groups executed the relevant Heritage Agreements and conducted a field trip to plan future exploration activities.

## **NOWA NOWA PROJECT**

### **Nowa Nowa Iron Project**

The Company continued to work on the Environmental Effects Assessment (EES) approval process, which is an all-inclusive permitting approach including all planning and operating licence requirements for the development and operation of the Project.

The following assessments have now been undertaken: Aboriginal Cultural Heritage Impact assessment, Ecology Impact assessment, Traffic Impact assessment and a Groundwater Impact assessment.

Technical reference group members have been confirmed by the Department of Environment, Land, Water and Planning Victoria, and a meeting with the members took place in October 2022. Following the meeting a site visit was conducted at the Project by the group. The Company has also finalised and submitted the scoping requirements of the Project and is now waiting for approval from the newly formed Department of Transportation and Planning.

### **Nowa Nowa Copper Project**

During the year the Company lodged an application for the renewal of exploration licence EL 006183, which had expired.

The Department of Jobs, Precincts and Regions of Victoria (DJPR) has received the application and supporting documents and the application is currently in the process of renewal by the newly formed Department of Energy, Environment and Climate Action of Victoria which replaces DJPR. No exploration work was carried out during this Quarter.

# REVIEW OF OPERATIONS

## NEW PROJECTS SEARCH AND ACQUISITION

The Company has actively reviewed opportunities to acquire an advanced exploration or near-development project in this period. A number of projects were evaluated and commercial discussions with various parties were held.

## CORPORATE

### Director Appointment and Resignation

In January 2023, Mr Mark Calderwood joined the Board of the Company as Non-executive Director. Mr. Calderwood is a highly experienced resources executive with significant experience with LCT pegmatites, lithium exploration and mine development. Mr Calderwood's skills and experience are a good and appropriate fit within the matrix of skills required by the Board.

### Additional Company Secretary Appointment

Ms Larissa Brown was appointed as an additional Company Secretary in September 2022.

### Exercise of option to acquire Trigg Hill Project

In September, the Company exercised its option to acquire 100% of the Trigg Hill Project in Western Australia.

Under the Agreement, the following consideration will be payable by the Company to Amery Holdings Pty Ltd to acquire the Trigg Hill Project:

- payment of \$250,000 in cash
- payment of either \$500,000 in cash or \$500,000 in Shares
- Amery retains a net smelter royalty of 1.5% on all minerals produced from the Project

Following completion of the acquisition of the Trigg Hill Project in December 2022, tenement E45/5728 was transferred to the Company.

### Completion of acquisition of 70% interest in Lepidolite Hill Project

In June 2023, the Company completed acquisition of a 70% interest in the Lepidolite Hill Lithium project, and subsequently that interest has been transferred to the Company.

Following completion of the acquisition from Lithium Australia Limited the Company will form a Joint Venture (JV) to develop the Project and will be the initial manager of the JV.

### Capital Raising

In September 2022, the Company completed a \$3.01 million placement to sophisticated and professional investors and Ya Hua International Investment and Development Co Ltd by issuing 103,827,595 shares at an issue price of \$0.029 per share with 20,765,519 free attaching options.

On completion of the issue of shares, Ya Hua holds approximately 10% of the Company's issued shares and becomes a substantial shareholder.

Reference to the Company's previous ASX announcements:

- 8 July 2022: Outstanding Lithium Assays at Trigg Hill Project
- 8 August 2022: Significant Lithium Assay Results at Trigg Hill
- 18 August 2022: Drilling Set to Commence at Trigg Hill
- 19 September 2022: Exercise of Option to Acquire Trigg Hill Project
- 21 September 2022: Grant of Yalgoo Lithium Tenements
- 27 September 2022: Strategic Placement to Yahua and Equity Raising
- 4 October 2022: Thick Pegmatites Intercepted at Trigg Hill Project
- 13 October 2022: Pegmatites identified at Yalgoo West Project

## REVIEW OF OPERATIONS

- 17 October 2022: Strategic Investment received from Ya Hua
- 24 October 2022: Heritage Inspection Completed Taylor Lookout
- 21 November 2022: Commencement of Phase 2 drilling at Trigg Hill
- 6 December 2022: Spodumene identified at Trigg Hill
- 8 December 2022: Completion of acquisition of Trigg Hill Project
- 11 January 2023: Phase 1 Drilling Results – Trigg Hill
- 12 January 2023: Appointment of Director – Mark Calderwood
- 16 January 2023: Options exercised by Yahua
- 25 January 2023: Option to Acquire Curlew Mine
- 6 February 2023: Exercise of option to acquire Curlew Mine
- 10 March 2023: Phase 2 Drilling Results - Trigg Hill Project
- 19 April 2023: Project Update - Trigg Hill Project
- 8 May 2023: Eastern Resources Acquires Lepidolite Hill Project
- 7 June 2023: Acquisition of Lepidolite Hill 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.

## PROGRAM FOR 2023 – 2024

### Nowa Nowa Iron Project

The Company will continue to progress the permitting and approvals process to ensure a rapid development of the Project.

### Nowa Nowa Copper Project

The Company will continue to progress the renewal of the Nowa Nowa Copper Project EL 006183, and undertake a drilling program at its Three Mile Prospect after the completion of the renewal.

### Lithium Projects in WA

The Company will conduct exploration activities at the Trigg Hill Project, Lepidolite Hill Project, Yalgoo West Project, Lake Johnston Project and the Taylor Lookout Project. The Company will also consider undertaking exploration works at Curlew Mine Project once the transaction is complete.

### New Projects Search

The Company will continue its search for additional exploration projects.

#### *Competent Persons Statement*

*The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves of Nowa Nowa Iron Project is based on information compiled by Greg De Ross, BSc, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a consultant of Eastern Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr De Ross consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

*The information in this release that relates to the Exploration Results of the Trigg Hill Project, Curlew Mine Project, Lepidolite Hill Project, Yalgoo West Project, Taylor Lookout Project and Lake Johnston Project is based on and fairly represents information and supporting documents compiled by Mr Glenn Coianiz, consultant to the Company Mr. Coianiz is a Registered Professional Geoscientist and Member of the Australian Institute of Geoscientists. Mr. Coianiz 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 Coianiz consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.*

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

## Lithium Projects

Eastern Resources has chosen to focus its exploration efforts on the identification of lithium mineralisation. This strategy is reflective of the Board's belief that financial reward for stakeholders, especially shareholders, can be achieved whilst supporting initiatives to reduce carbon emissions and create a better world for everyone. Lithium is a key input into the battery production process and exploration success could allow EFE to deliver lithium into the projected lithium supply shortfall in coming years.

## Stakeholder Processes

The Company engages across a broad range of external stakeholder groups, some of which are addressed below.

## Native Title

With projects in Western Australia and Victoria Eastern Resources is committed to communicating and negotiating effectively and fairly with the relevant native title groups in the areas where we have activities. The company currently has a number of exploration access agreements in place and is negotiating others.

## Regional Stakeholders

The Company regularly communicates with stakeholders in its projects including relevant government departments and landholders. The Company supports the communities in which it has activities, through its commercial activities (e.g. purchase of goods and services, accommodation and the like).

## Licences

Eastern Resources is the holder of a number of exploration and/or prospecting licences and mining leases. The Company has processes in place to ensure the ongoing retention / maintenance and adherence to its tenement obligations, ensuring that its relationship with the regulator remains sound. This includes full rehabilitation after exploration activities have been completed.

## Shareholder Communications

Regular communication with shareholders and the investment community is through the ASX announcements platform, its website and shareholder meetings. Further details are provided in the Corporate Governance Statement.

## Governance

The Company's Corporate Governance Statement details the broad scope of governance measures applied by the Company.



# TENEMENT SCHEDULE AND RESOURCE SUMMARY

## TENEMENT SCHEDULE

As at 30 June 2023

During this financial year, 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                  | EFE's Current Interest | Notes |
|--|-------------------|-------------------------|------------------------|-------|
| Nowa Nowa Project in Victoria                |                   |                         |                        |       |
| EL006183                                     | Pending renewal   | Gippsland Iron Pty Ltd  | 100%                   | 1     |
| 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 Lithium Pty Ltd | 100%                   |       |
| Yalgoo West Project in Western Australia     |                   |                         |                        |       |
| E59/2653                                     | Granted           | Eastern Lithium Pty Ltd | 100%                   |       |
| E59/2654                                     | Granted           | Eastern Lithium Pty Ltd | 100%                   |       |
| Lake Johnston Project in Western Australia   |                   |                         |                        |       |
| E63/2174                                     | Granted           | Eastern Lithium Pty Ltd | 100%                   |       |
| E63/2175                                     | Granted           | Eastern Lithium Pty Ltd | 100%                   |       |
| E63/2211                                     | Granted           | Eastern Lithium Pty Ltd | 100%                   |       |
| E63/2212                                     | Granted           | Eastern Lithium Pty Ltd | 100%                   |       |
| E63/2219                                     | Granted           | Eastern Lithium Pty Ltd | 100%                   |       |
| Lepidolite Hill Project in Western Australia |                   |                         |                        |       |
| P15/5574                                     | Granted           | Eastern Lithium Pty Ltd | 70%                    | 2     |
| P15/5575                                     | Granted           | Eastern Lithium Pty Ltd | 70%                    | 2     |
| P15/5739                                     | Granted           | Eastern Lithium Pty Ltd | 70%                    | 2     |
| M15/1874                                     | Under application | Eastern Lithium Pty Ltd | 70%                    | 2     |
| Curlw Mine Project in Western Australia      |                   |                         |                        |       |
| M45/1267                                     | Granted           | Curlw Mine Pty Ltd      | 0%                     | 3     |
| Taylor Lookout Project in Western Australia  |                   |                         |                        |       |
| E80/5066                                     | Granted           | Legacy Iron Ore Ltd     | 0%                     | 4     |

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:

- In the process of renewal of EL006183
- Eastern Lithium Pty Ltd has 70% ownership of the Tenement and Lithium Australia Ltd has 30% ownership of the Tenement.
- Subject to Amended and Restated Option Agreement and a Deed of Assignment and Assumption with Amery Holdings Pty Ltd and Curlw Mine Pty Ltd to acquire 50% ownership of the Tenement including 100% interests of all mineral rights except beryl minerals in the Tenement.
- 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



# TENEMENT SCHEDULE AND RESOURCE SUMMARY

## RESOURCE SUMMARY

As at 30 June 2023

NOWA NOWA, VICTORIA

| 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 |

*Note decimals do not imply precision and are used to avoid rounding errors*

*Resource is estimated at a lower cut-off of 40%.*

This report has been approved by and fairly represents information and supporting documents compiled by Mr Greg De Ross, BSc. Mr De Ross is a consultant of Eastern Resources Limited and is a Fellow of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institutes codes and recommended practices. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

The information in this table that relates to Estimation and Reporting of Mineral Resources has been prepared by and is based on and fairly represents information and supporting documents compiled by Mr Rupert Osborn BSc, MSc who is a member of the Australasian Institute of Geoscientists, a full time employee of H&S Consultants and an independent consultant to Eastern Resources Limited. Full details of the Nowa Nowa Resource estimate including Table 1 details and competent person consents were published on 21 May 2014 under the guidelines of the JORC 2012 Code in a report to the ASX titled "Resource Upgrade at Nowa Nowa Iron Project".

Eastern Resources Limited confirms that it is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning the Mineral resource Estimates in the report continue to apply and have not materially changed.

# DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2023.

## DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

| Director  | Qualifications and Experience  |
|---|--|
| <p><b>Ariel Edward King</b><br/>BComm, BEng<br/>(Mining – Hons)</p> <p>Non-Executive<br/>Chairman</p> | <p><i>Appointed July 2017</i></p> <p>Mr. King is a qualified Mining Engineer. Mr. King holds a Bachelor of Commerce and Bachelor of Engineering from the University of Western Australia.</p> <p>Mr. King's experience includes being a manager for an investment banking firm, where he specialized in the technical and financial analysis of bulk commodity and other resource projects for investment and acquisition.</p> <p>Eddie is also a director of CPS Capital Group, one of Australia's most active stockbroking and corporate advisory firms specializing in small to medium-high-growth companies.</p> <p>During the past three years, Mr. King held the following directorships in other ASX listed companies:</p> <ul style="list-style-type: none"> <li>– Noble Helium Limited (ASX: NHE) – appointed 15 December 2021</li> <li>– Bindi Metals Limited (ASX: BIM) – appointed 27 May 2021</li> <li>– M3 Mining Limited (ASX: M3M) – appointed 16 November 2020</li> <li>– Queensland Pacific Metals Limited – appointed 26 March 2018</li> <li>– Ragnar Metals Limited (ASX: RAG) – appointed 10 February 2017</li> <li>– Rubix Resources Limited (ASX: RB6) – appointed 30 June 2021</li> <li>– Great Northern Minerals Limited (ASX: GNM) – appointed 1 March 2023</li> </ul> |
| <p><b>Myles Fang</b></p> <p>Executive Director</p>  | <p><i>Appointed March 2018</i></p> <p>Mr Fang is an engineer with more than 20 years experience in business development, corporate &amp; project management, project finance, and M&amp;A, including 15 years' experience in mining industry, both in Australia and overseas.</p> <p>He has experience on all the aspects of project development through exploration, feasibility studies and resources development and mining in commodities such as iron ore, coal, base and precious metals, and mineral sands.</p> <p>Mr Fang has been a senior executive of WPG Resources Ltd, and Aard Metals Ltd.</p> <p>During the past three years, Mr Fang has not served as a director of any other listed companies.</p>   |
| <p><b>Jason Hou</b></p> <p>Non-Executive<br/>Director</p>   | <p><i>Appointed September 2021</i></p> <p>Mr Hou has a professional background in finance and accounting sectors.</p> <p>He has extensive experience and connections in Australia and China and has been involved in numerous M&amp;A transactions for listed and private companies with a focus on restructuring and capital sourcing on inward China and Hong Kong based investment in the resources sector. Mr Hou was one of the co-founders of Bligh Resources Limited. Mr Hou also played a leading role in the A\$110 million listing of Stonewall Resources Limited on the ASX.</p> <p>During the past three years, Mr Hou has not served as a director of any other listed companies.</p>   |

## DIRECTORS' REPORT

|  |   |
|--|---|
| <b>Mark Calderwood</b><br>Non-Executive Director | <i>Appointed January 2023</i><br><br>Mr Calderwood is a highly experienced resource executive with more than 30 years experience in exploration and production. He is the former managing director and CEO of Perseus Mining, where he led Perseus from a micro-cap explorer to an ASX100 company with a market capitalisation of \$1.6 billion.<br><br>He has significant experience with LCT pegmatites, lithium exploration and mine development. Overseeing the discovery and development of the Bald Hill lithium mine in Western Australia and is a co-author of a guidebook to the pegmatites of Western Australia.<br><br>During the past three years, Mr Calderwood held the following directorships in other ASX listed companies: <ul style="list-style-type: none"><li>– Midas Minerals Ltd (ASX: MM1) – appointed 1 July 2022</li><li>– Kairos Minerals Limited (ASX: KAI) – appointed 26 May 2022</li></ul> |
|--|---|

### COMPANY SECRETARY

|                      |  |
|----------------------|--|
| <b>Heath Roberts</b> | <i>Appointed February 2022</i><br><br>Mr Roberts is a commercial solicitor with over twenty-seven years of ASX listed company management and operational experience, from Company Secretary to Executive Director level. He has particular strength in corporate compliance, exploration, feasibility and mining activities, due diligence/acquisitions, joint venture structuring / management and fundraising. |
|----------------------|--|

### DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at the date of this report, the interests of the Directors in the shares and options of Eastern Resources Limited were:

| Directors       | Shares directly and indirectly held | Options directly and indirectly held |
|-----------------|-------------------------------------|--------------------------------------|
| Ariel King      | 6,300,000                           | 12,000,000                           |
| Myles Fang      | 13,762,916                          | 12,000,000                           |
| Jason Hou       | 7,000,000                           | 6,000,000                            |
| Mark Calderwood | 18,879,032                          | 2,000,000                            |

### PRINCIPAL ACTIVITIES

The principal activity of the Group is the exploration for and delineation of battery minerals, iron ore, precious and base metals resources in Australia/Asia Pacific region and the development of those resources into economic, cash flow generating mines.

### RESULTS

The net result of operations after applicable income tax expense was a loss of \$718,874 (2022: \$2,981,603). There was no exploration and evaluation expenditure written off during the year (2022: 13,480).

### DIVIDENDS

No dividends were paid or proposed during the period.

### REVIEW OF OPERATIONS

A review of the operations of the Company during the financial period and the results of those operations commence on page 1 in this report.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial period, other than as disclosed in this report.

# DIRECTORS' REPORT

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2023 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

As the Company's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Company is hoping to identify other battery minerals exploration and evaluation targets.

## SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

Details of unissued shares or interests under option for Eastern Resources Limited as at the date of this report are:

| No. shares under option at start of the year | Class of share | Issued     | Exercised     | Lapsed       | Exercise price of option | No. shares under option at end of the year |
|--|----------------|------------|---------------|--------------|--------------------------|--|
| 135,968,426                                  | Ordinary       | -          | (126,953,203) | (9,015,223)  | \$0.0120                 | -  |
| 38,450,000                                   | Ordinary       | 39,765,519 | (600,000)     | (16,000,000) | \$0.0142-\$0.080         | 61,615,519                                 |

The holders of these options do not have the right, by virtue of the option, to participate in any share issue of the Company or of any other body corporate or registered scheme.

## ENVIRONMENTAL PERFORMANCE

Eastern Resources and its wholly owned subsidiaries hold an exploration licence, a retention licence and a mining licence application issued by the Victorian Department of Economic Development, Jobs, Transport and Resources. The Company also has an obligation on an exploration licence issued by the Western Australia Department of Mines, Industry Regulation and Safety. The Company's operations are subject to specific guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the Department's guidelines and standards. There have been no significant known breaches of the licence conditions.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

### Indemnification

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings except for the Company Secretary who has been granted an indemnity for services provided under his contract.

### Insurance Premiums

During the financial period the Company has paid premiums to insure each of the Directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

## REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2023 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

# DIRECTORS' REPORT

## Details of Key Management Personnel

Details of KMP including the top five remunerated executives of the Parent and Group are set out below.

|   |                        |
|---|------------------------|
| Directors                                   |                        |
| Ariel King                                  | Non-executive Chairman |
| Myles Fang                                  | Executive Director     |
| Jason Hou                                   | Non-executive Director |
| Mark Calderwood (appointed 12 January 2023) | Non-executive Director |
| Key Management Personnel                    |                        |
| Heath Roberts                               | Company Secretary      |

## Remuneration Philosophy

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- Competitiveness and reasonableness.
- Acceptability to shareholders.
- Performance linkage/alignment of executive compensation.
- Transparency.
- Capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long term incentives in line with the Company's limited financial resources.

Fees and payments to the Company's Non-Executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-Executive Directors, Senior Executives and Officers may be offered to receive options under the Company's Employee Share Option Scheme.

## Non-Executive Director Remuneration Arrangements

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-Executive Directors (NED) may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the NED's has been fixed at a maximum of \$250,000 per annum to be apportioned among the NED's in such a manner as the Board determines. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

Effective from 1 May 2022 the base fee for all Non-Executive Directors including the Chairman was increased from \$60,000 p.a to \$72,000 p.a plus an additional \$24,000 p.a is paid for the Chairman consulting fee with no additional payments for chairing Board Committee.

## Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in employment contracts and contractor agreements. Details of these agreements are set out below.

# DIRECTORS' REPORT

## Executive Director – Myles Fang

- Contract term: Rolling contract. The Company may terminate the agreement with 120 days' notice, or the contractor may terminate the agreement with 30 days' notice.
- Remuneration: Effective from 1 November 2022 Mr Fang's contract is \$294,000 p.a. excluding GST. Mr Fang is entitled to be paid reasonable travelling, accommodation and other expenses incurred in execution of his duties as Executive Director.
- Termination payments: The Company may make a cash payment in lieu of part or all of a notice period of an amount equivalent to the Cash Service Fee or Share Service Fee that would have been payable if the Engagement had continued during that period.

## Company Secretary – Heath Roberts

- Contract term: Rolling contract. Either party may terminate the agreement with one months' notice.
- Remuneration: Retainer amount of \$6,000 per month plus \$175 per hour plus GST for services outside of an agreed scope of work as at 30 June 2021.
- Termination payments: Nil

## Directors and Key Management Personnel Remuneration for the Year Ended 30 June 2023

|                                  | Short-term benefits        |                       | Post employment       | Share-based payments     | Total          |
|----------------------------------|----------------------------|-----------------------|-----------------------|--------------------------|----------------|
|                                  | Cash salary and fees<br>\$ | Consulting fees<br>\$ | Super-annuation<br>\$ | Performance Rights<br>\$ |                |
| Non-Executive Directors          |                            |                       |                       |                          |                |
| A King                           | 72,000                     | 24,000                | -                     | 14,343                   | 110,343        |
| J Hou                            | 72,000                     | -                     | -                     | 14,343                   | 86,343         |
| M Calderwood (i)                 | 33,677                     | -                     | -                     | 5,737                    | 39,414         |
|                                  | <b>177,677</b>             | <b>24,000</b>         | -                     | <b>34,423</b>            | <b>236,100</b> |
| Executive Director               |                            |                       |                       |                          |                |
| Myles Fang                       | -                          | 293,083               | -                     | 14,343                   | 307,426        |
|                                  | -                          | 293,083               | -                     | 14,343                   | 307,426        |
| Other – Key Management Personnel |                            |                       |                       |                          |                |
| H Roberts                        | -                          | 52,000                | -                     | 2,868                    | 54,868         |
| <b>Total KMP</b>                 | -                          | <b>52,000</b>         | -                     | <b>2,868</b>             | <b>54,868</b>  |
| <b>Total</b>                     | <b>177,677</b>             | <b>369,083</b>        | -                     | <b>51,634</b>            | <b>598,394</b> |

(i) Prior to becoming a director of the company, Mark Calderwood received \$28,000 for his consulting services payable to Amery Holdings Pty Ltd.

Performance based remuneration during the 2023 financial period was the Performance Rights issued which vest if the company achieves a 20 day volume weighted average price of \$0.06. The Performance Rights expire on 28 November 2027.

# DIRECTORS' REPORT

## Directors and Key Management Personnel Remuneration for the Year Ended 30 June 2022

|                                  | Short-term benefits        |                       | Post employment       | Share-based payments | Total<br>\$      |
|----------------------------------|----------------------------|-----------------------|-----------------------|----------------------|------------------|
|                                  | Cash salary and fees<br>\$ | Consulting fees<br>\$ | Super-annuation<br>\$ | Options<br>\$        |                  |
| Non-Executive Directors          |                            |                       |                       |                      |                  |
| A King                           | 62,000                     | 4,000                 | -                     | 406,000              | 472,000          |
| M Fang (i)                       | 30,000                     | 137,000               | -                     | 406,000              | 573,000          |
| T Taylor                         | 15,000                     | -                     | -                     | -                    | 15,000           |
| J Hou                            | 47,000                     | -                     | -                     | 406,000              | 453,000          |
|                                  | 154,000                    | 141,000               | -                     | 1,218,000            | 1,513,000        |
| Executive Director               |                            |                       |                       |                      |                  |
| M Fang (ii)                      | 80,000                     | -                     | -                     | -                    | 80,000           |
|                                  | 80,000                     | -                     | -                     | -                    | 80,000           |
| Other – Key Management Personnel |                            |                       |                       |                      |                  |
| I White                          | -                          | 26,337                | -                     | 70,980               | 97,317           |
| H Roberts                        | -                          | 16,500                | -                     | -                    | 16,500           |
| <b>Total KMP</b>                 | -                          | 42,837                | -                     | 70,980               | 113,817          |
| <b>Total</b>                     | <b>234,000</b>             | <b>183,837</b>        | -                     | <b>1,288,980</b>     | <b>1,706,817</b> |

(i) Mr. M Fang was paid \$100,000 in shares issued at \$0.015 each in lieu of consulting fees in accordance with shareholder approval at the 7 December 2021 Annual General Meeting.

(ii) Mr M Fang was appointed as Executive Director on 16 December 2021

No performance based remuneration was paid in the 2022 financial period.

### Share-Based Compensation

#### Employee Share Option Plan

The Company has established the Eastern Resources Employee Share Option Plan ("Plan") to assist in the attraction, retention and motivation of employees of the Company. There are no options granted under the Plan as at the date of this report. The Plan will be administered by the Board in accordance with the rules of the Plan, and the rules are subject to the Listing Rules.

A summary of the Rules of the Plan follows. All full-time employees will be eligible to participate in the Plan. The allocation of options to each employee is at the discretion of the Board. The options will be issued for nil consideration and are non-transferable, except with the consent of Directors. However, at the time of accepting the offer to participants of the Plan, the eligible employee may nominate another person in whose favour the options should be granted. If permitted by the Board, options may be issued to an employee's nominee (for example, a spouse or family company).

Each option is to subscribe for one fully paid ordinary share in the Company and will expire five years from its date of issue. An option is exercisable at any time from its date of issue. Options will be granted free.

The exercise price of options will be determined by the Board. The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous five years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.

If, prior to the expiry date of options, a person ceases to be an employee of a Group company for any reason (other than termination with cause), the options held by that person (or that person's nominee) must be exercised within one month thereafter otherwise they will automatically lapse. The Plan may be terminated or suspended at any time.

Except with the consent of the Directors, options may not be transferred. The Company will not apply for official quotation of any options. Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.

## DIRECTORS' REPORT

If there is a bonus share issue to the holders of shares, the number of shares over which an option is exercisable will be increased by the number of shares which the optionholder would have received if the option had been exercised before the record date for the bonus issue. The options or exercise price of the options will be adjusted if there is a pro-rata issue, bonus issue or any reconstruction in accordance with the Listing Rules. If there is a pro-rata issue (other than a bonus share issue) to the holders of shares, the exercise price of an option will be reduced to take account of the effect of the pro-rata issue. If there is a reorganisation of the issued capital of the Company, unexercised options will be reorganised in accordance with the Listing Rules.

Subject to obtaining required members' approval to authorise the granting of financial assistance to a participant, the Directors can make loans to eligible employees in connection with shares to be issued upon exercise of options under the Plan.

The Board may amend the Plan Rules subject to the requirements of the Listing Rules.

### Compensation Options: Granted and Vested During the Year

#### Share-based Payments held by Directors and Key Management as at 30 June 2023

|              | Balance at start of the year/on appointment | Granted during the year | Vested and exercisable | Exercised during the year | Expired during the year | Balance at the end of the year/on vacating office |
|--------------|---|-------------------------|------------------------|---------------------------|-------------------------|---|
| A King       | 7,000,000                                   | 5,000,000               | 7,000,000              | -                         | -                       | 12,000,000  |
| M Fang       | 7,000,000                                   | 5,000,000               | 7,000,000              | -                         | -                       | 12,000,000  |
| J Hou        | 1,000,000                                   | 5,000,000               | 1,000,000              | -                         | -                       | 6,000,000   |
| M Calderwood | 175,000                                     | 2,000,000               | 175,000                | (175,000)                 | -                       | 2,000,000   |
| H Roberts    | -   | 1,000,000               | -                      | -                         | -                       | 1,000,000   |

The value of options granted during the period is recognised as compensation over the vesting period of the grant, in accordance with Australian Accounting Standards.

For details on the valuation of the options, including models and assumptions used, please refer to Note 12.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period.

### MEETINGS OF DIRECTORS

The following table sets out the number of Directors' meetings and meetings of Committees of Directors, held during the financial year and the number of meetings attended by each Director:

|                 | Board of directors * |          | Audit committee |          |
|-----------------|----------------------|----------|-----------------|----------|
|                 | Eligible             | Attended | Eligible        | Attended |
| Ariel King      | 3                    | 3        | 2               | 2        |
| Myles Fang      | 3                    | 3        | 2               | 2        |
| Jason Hou       | 3                    | 3        | 2               | 2        |
| Mark Calderwood | 2                    | 1        | 2               | 1        |

The duties of the Corporate Governance Committee were carried out by the full Board at Board meetings for the 2023 financial year. The Remuneration and Nomination Committee did not meet during the 2023 financial year as remuneration matters were dealt with by the Board as a whole.

\*During the period the Board passed five circular resolutions.



## Auditor's Independence Declaration

To the directors of Eastern Resources Limited

As engagement partner for the audit of Eastern Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDJ Partners



.....  
Gregory Cliffe

Partner

15 September 2023

**Tax**

**Accounting**

**Financial  
Advice**

**Super**

**Audit**

**Loans**

**Phone**

+61 2 9956 8500

**Email**

bdj@bdj.com.au

**Office**

Level 8, 124  
Walker Street  
North Sydney  
NSW 2060

**Postal**

PO Box 1664,  
North Sydney  
NSW 2059

# DIRECTORS' REPORT

## Non-audit services

The Company's auditor, BDJ Partners provided non-audit services of \$3,000 for Eastern Resources during the financial year ended 30 June 2023 (2022: Nil). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Signed 20<sup>th</sup> day of September 2023 in accordance with a resolution of the Directors.



**Ariel Edward King**  
Chairman

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 30 JUNE 2023

|  | Note | 2023<br>\$       | 2022<br>\$         |
|--|------|------------------|--------------------|
| .  |      |                  |                    |
| <b>Revenue</b>   | 3    | 71,682           | 23                 |
| ASX and ASIC fees  |      | (62,355)         | (78,549)           |
| Audit fees   | 17   | (33,000)         | (29,000)           |
| Contract administration services   |      | (248,484)        | (171,621)          |
| Directors' fees (net of costs recharged to exploration projects)                       |      | (177,677)        | (154,000)          |
| Share-based payments   |      | (128,858)        | (2,322,226)        |
| Rent   |      | (11,435)         | (7,200)            |
| Insurance  |      | (27,521)         | (25,701)           |
| Exploration and evaluation expenditure written off                                     |      | -                | (13,480)           |
| Other expenses from ordinary activities  |      | (101,226)        | (179,849)          |
| <b>Loss before income tax expense</b>  |      | <b>(718,874)</b> | <b>(2,981,603)</b> |
| Income tax expense   | 4    | -                | -                  |
| <b>Loss after income tax expense</b>   |      | <b>(718,874)</b> | <b>(2,981,603)</b> |
| <b>Total comprehensive (loss) attributable to members of Eastern Resources Limited</b> |      | <b>(718,874)</b> | <b>(2,981,603)</b> |
| Basic loss per share (cents per share)   | 14   | 0.06             | 0.33               |
| Diluted loss per share (cents per share)   | 14   | 0.06             | 0.33               |

*The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

|   | Note | 2023<br>\$        | 2022<br>\$       |
|---|------|-------------------|------------------|
| <b>Current assets</b>                           |      |                   |                  |
| Cash assets                                     | 5    | 5,905,839         | 4,609,889        |
| Receivables                                     | 6    | 114,286           | 43,280           |
| <b>Total current assets</b>                     |      | <b>6,020,125</b>  | <b>4,653,169</b> |
| <b>Non-current assets</b>                       |      |                   |                  |
| Tenement security deposits                      | 7    | 20,000            | 20,000           |
| Property, plant and equipment                   | 8    | 880               | 1,792            |
| Deferred exploration and evaluation expenditure | 9    | 7,190,147         | 4,186,662        |
| <b>Total non-current assets</b>                 |      | <b>7,211,027</b>  | <b>4,208,454</b> |
| <b>Total assets</b>                             |      | <b>13,231,152</b> | <b>8,861,623</b> |
| <b>Current liabilities</b>                      |      |                   |                  |
| Payables  | 11   | 305,547           | 231,453          |
| Other liabilities                               |      | -                 | 1,600            |
| <b>Total current liabilities</b>                |      | <b>305,547</b>    | <b>233,053</b>   |
| <b>Total liabilities</b>                        |      | <b>305,547</b>    | <b>233,053</b>   |
| <b>Net assets</b>                               |      | <b>12,925,605</b> | <b>8,628,570</b> |
| <b>Equity</b>                                   |      |                   |                  |
| Contributed equity                              | 12   | 26,398,137        | 21,511,462       |
| Accumulated losses                              |      | (14,344,642)      | (13,814,775)     |
| Reserves  | 13   | 872,110           | 931,883          |
| <b>Total equity</b>                             |      | <b>12,925,605</b> | <b>8,628,570</b> |

*The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.*

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

|  | Note | 2023<br>\$         | 2022<br>\$       |
|--|------|--------------------|------------------|
| <b>Cash flows from operating activities</b>          |      |                    |                  |
| Payments to suppliers and employees                  |      | (636,431)          | (514,625)        |
| Interest received                                    |      | 12,618             | 23               |
| <b>Net cash flows (used in) operating activities</b> | 22   | <b>(623,813)</b>   | <b>(514,602)</b> |
| <b>Cash flows from investing activities</b>          |      |                    |                  |
| Payments for exploration and evaluation expenditure  |      | (2,015,990)        | (549,104)        |
| Payments for plant and equipment                     |      | -                  | (1,749)          |
| Payments for investment                              |      | (50,000)           | -                |
| Payments for acquiring tenements                     |      | (400,000)          | -                |
| <b>Net cash flows (used in) investing activities</b> |      | <b>(2,465,990)</b> | <b>(550,853)</b> |
| <b>Cash flows from financing activities</b>          |      |                    |                  |
| Proceeds from issue shares (net of costs)            |      | 2,837,939          | 3,307,401        |
| Proceeds from exercise of options                    |      | 1,547,814          | 872,057          |
| <b>Net cash flows from financing activities</b>      |      | <b>4,385,753</b>   | <b>4,179,458</b> |
| <b>Net increase/(decrease) in cash held</b>          |      | <b>1,295,950</b>   | <b>3,114,003</b> |
| Add opening cash brought forward                     |      | 4,609,889          | 1,495,886        |
| <b>Closing cash carried forward</b>                  | 22   | <b>5,905,839</b>   | <b>4,609,889</b> |

*The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

|  | Note | Issued capital<br>\$ | Accumulated losses<br>\$ | Reserves<br>\$  | Total equity<br>\$ |
|--|------|----------------------|--------------------------|-----------------|--------------------|
| Loss for the period  |      | -                    | (2,981,603)              | -               | (2,981,603)        |
| Other comprehensive income   |      | -                    | -                        | -               | -                  |
| <b>Total comprehensive income/(loss) for the period</b>                    |      | -                    | <b>(2,981,603)</b>       | -               | <b>(2,981,603)</b> |
| <b>Transactions with owners in their capacity as owners:</b>               |      |                      |                          |                 |                    |
| Exercise of options  | 12   | 871,057              | -                        | -               | 871,057            |
| Share-based payments   | 13   | -                    | -                        | 2,322,226       | 2,322,226          |
| Exercised of employee share option value transferred to accumulated losses | 13   | -                    | 1,594,315                | (1,594,315)     | -                  |
| Underwriter options offer  | 13   | -                    | -                        | 2,500           | 2,500              |
| Issue of share capital, net of transaction costs                           | 12   | 3,432,721            | -                        | -               | 3,432,721          |
| <b>Total transactions with owners in their capacity as owners</b>          |      | <b>4,303,778</b>     | <b>1,594,315</b>         | <b>730,411</b>  | <b>6,628,504</b>   |
| <b>Balance at 30 June 2022</b>   |      | <b>21,511,462</b>    | <b>(13,814,775)</b>      | <b>931,883</b>  | <b>8,628,570</b>   |
| Loss for the period  |      |                      | (718,874)                | -               | (718,874)          |
| Other comprehensive income   |      | -                    | -                        | -               | -                  |
| <b>Total comprehensive income/(loss) for the period</b>                    |      | -                    | <b>(718,874)</b>         | -               | <b>(718,874)</b>   |
| <b>Transactions with owners in their capacity as owners:</b>               |      |                      |                          |                 |                    |
| Exercise of options  | 12   | 1,547,438            | -                        | -               | 1,547,438          |
| Share-based payments   | 13   | -                    | -                        | 128,858         | 128,858            |
| Exercised of employee share option value transferred to accumulated losses | 13   | -                    | 189,007                  | (189,007)       | -                  |
| Underwriter options offer  | 13   | -                    | -                        | 376             | 376                |
| Asset acquisition  | 10   | 500,000              | -                        | -               | 500,000            |
| Issue of share capital, net of transaction costs                           | 12   | 2,839,237            | -                        | -               | 2,839,237          |
| <b>Total transactions with owners in their capacity as owners</b>          |      | <b>4,886,675</b>     | <b>189,007</b>           | <b>(59,773)</b> | <b>5,015,909</b>   |
| <b>Balance at 30 June 2023</b>   |      | <b>26,398,137</b>    | <b>(14,344,642)</b>      | <b>872,110</b>  | <b>12,925,605</b>  |

*The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 1. CORPORATE INFORMATION

The financial report of Eastern Resources Limited (the Company) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 20 September 2023.

Eastern Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd using the ASX code EFE.

The consolidated financial statements comprise the financial statements of Eastern Resources Limited and its subsidiaries (the Group or Consolidated Entity).

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has been prepared on a historical cost basis. All amounts are presented in Australian dollars.

#### Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

#### Basis of Consolidation

The consolidated financial statements comprise the financial statements of Eastern Resources Limited (Eastern Resources or the "Company") and its subsidiaries if applicable ("the Group") as at 30 June each year. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Subsidiaries are fully consolidated from date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

#### Property, Plant and Equipment

Plant and equipment is stated at cost, less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Plant and equipment – 3 - 8 years.

#### *Impairment*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An item of plant and equipment is derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

#### Recoverable Amount of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

#### Financial Instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### *Classification*

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- Amortised cost
- Fair value through profit or loss FVTPL
- Fair value through other comprehensive income equity instrument (FVOCI equity)
- Fair value through other comprehensive income debt investments (FVOCI debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

### *Amortised Cost*

Assets measured at amortised cost are financial assets where:

- The business model is to hold assets to collect contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

### *Fair Value Through Other Comprehensive Income*

The Group does not hold any assets measured at fair value through other comprehensive income.

### *Financial assets through profit or loss*

The Group does not hold any assets measured at fair value through profit or loss.

### *Impairment of Financial Assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

### *Financial Assets Measured at Amortised Cost*

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- The other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- The financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

### *Trade Receivables and Contract Assets*

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

### *Other Financial Assets Measured at Amortised Cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

### **Financial Liabilities**

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade and other payables, bank and other loans and lease liabilities

### **Joint Arrangements**

Joint arrangements are bound to contractual arrangements. The arrangement gives two or more parties joint control of the arrangement. Joint arrangement is either Joint Operation or Joint Venture.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

An entity shall determine the type of joint arrangement in which it is involved. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement.

#### *Joint Operation*

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.

Joint operator shall recognise in relation to its interest in a joint operation:

- (a) its assets, including its share of any assets held jointly;
- (b) its liabilities, including its share of any liabilities incurred jointly;
- (c) its revenue from the sale of its share of the output arising from the joint operation;
- (d) its share of the revenue from the sale of the output by the joint operation; and
- (e) its expenses, including its share of any expenses incurred jointly.

A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Standards applicable to the particular assets, liabilities, revenues and expenses.

#### *Joint Venture*

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

A joint venturer shall recognise its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures unless the entity is exempted from applying the equity method as specified in that standard. A party that participates in, but does not have joint control of, a joint venture shall account for its interest in the arrangement in accordance with AASB 9 Financial Instruments, unless it has significant influence over the joint venture, in which case it shall account for it in accordance with AASB 128.

### **Exploration, Evaluation, Development and Restoration Costs**

#### *Exploration and Evaluation*

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

- Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale.
- Exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

## *Exploration and Evaluation – Impairment*

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry-forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Income Statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis, provisions would be reviewed and if appropriate, written back.

## *Development*

Development expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

## *Restoration*

Provisions for restoration costs are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## *Remaining Mine Life*

In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

## **Mine Property Held for Sale**

Where the carrying amount of mine property and related assets will be recovered principally through a sale transaction rather than through continuing use, the assets are reclassified as Mine Property Held for Sale and carried at the lower of the assets' carrying amount and fair value less costs to sell – where such fair value can be reasonably determined, and otherwise at its carrying amount. Liabilities and provisions related to mine property held for sale are similarly reclassified as Liabilities – Mine Property Held for Sale and, Provisions – Mine Property Held for sale, as applicable, and carried at the value at which the liability or provisions expected to be settled.

## **Cash and Cash Equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of one year or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

## **Trade and Other Payables and Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## Employee Entitlements

Liabilities for wages and salaries are recognised and are measured as an amount unpaid at the reporting date at current pay rates in respect of an employee's services up to that date. Current employees are entitled to annual leave and long service leave.

## Share-Based Payments

In addition to salaries, the Group provides benefits to certain employees (including Directors and Key Management personnel) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). There is currently an Employee Share Option Plan in place to provide these benefits.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Black-Scholes option pricing model. In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- The extent to which the vesting period has expired.
- The Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately. However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and the new award are treated as if there was a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

## Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

### *Interest*

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

## Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

## Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

## Currency

Both the functional and presentation currency is Australian dollars (A\$).

## Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### Significant Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

#### *Share-Based Payment Transactions*

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted, as detailed in Notes 12.

#### *Capitalisation and Write-Off of Capitalised Exploration Costs*

The determination of when to capitalise and write-off exploration expenditure requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions.

### Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Earnings Per Share

Basic earnings per share is calculated as net profit attributable to members of the Group, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the Group, adjusted for:

- Costs of servicing equity.
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses.
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.
- Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

### Going Concern

The financial report has prepared on the going concern basis that the Group has the ability to pay its debts as and when they become due and payable for at least the next 12 months from the date of issuing the financial report.

For the year ended 30 June 2023, the Group incurred a loss from continuing operations after tax of \$718,874 (2022: \$2,981,603). The Group had operating cash outflows of \$623,813 (2022: \$514,602). The Group's net cash outflow from investing activities was \$2,465,990 (2022: 550,853). The Group's net current assets were \$5,714,578 (2022: \$4,420,116). The Group is continuing to optimise cash usage in its operations, balancing preservation of cash with the need to advance its exploration interests.

During the year, the Group successfully raised a net amount of \$2,837,939 after broker fees from a variety of equity raising processes (predominately share placements to sophisticated and professional investors, rights issues and the exercise of existing share options).

At 30 June 2023, the Group had a cash balance of \$5,905,839. From a cash flow forecast for the next 12 months prepared by management, the Directors believe that the Group will have sufficient working capital to meet its project development and administrative expenses as and when they are due, and therefore, the financial report has been prepared on the going concern basis.

### Accounting Standards Issued But Not Yet Effective

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2023. The Consolidated Entity plans to adopt these standards at their application dates.

It is anticipated that the application of these standards will not have a material effect on the Group's results or financial report in future periods.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

The director's assessment of the impact of all standards applied during the current year is that they have not had a material impact on the financial report of the Group.

### 3. REVENUE FROM ORDINARY ACTIVITIES

|   | 2023<br>\$    | 2022<br>\$ |
|---|---------------|------------|
| Interest received – other persons/corporation | 71,682        | 23         |
|   | <b>71,682</b> | <b>23</b>  |

### 4. INCOME TAX

|   | 2023<br>\$ | 2022<br>\$ |
|---|------------|------------|
| Prima facie income tax (credit) on operating (loss) at 25% (2022: 25%)      | 179,719    | 745,401    |
| Future income tax benefit in respect of timing differences – not recognised | (179,719)  | (745,401)  |
| Income tax expense  | -          | -          |

No provision for income tax is considered necessary in respect of the Group as at 30 June 2023. The Group has a deferred income tax liability of Nil (2022: Nil) associated with exploration costs deferred for accounting purposes but expensed for tax purposes. This liability has been brought to account and offset by deferred tax assets attributed to available tax losses. No recognition has been given to any deferred income tax asset which may arise from available tax losses, except to the extent offset against deferred tax liabilities. The Group has estimated its losses at \$12,363,449 (2022: \$11,710,765) as at 30 June 2023. There was no adjustment to deferred tax during the year. A benefit of 25% (2022: 25%) of approximately \$3,090,862 (2022: \$2,927,691) associated with the tax losses carried forward will only be obtained if:

- The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.
- The Group continues to comply with the conditions for deductibility imposed by the law.
- No changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

### 5. CASH AND CASH EQUIVALENTS

|              | 2023<br>\$       | 2022<br>\$       |
|--------------|------------------|------------------|
| Cash at bank | 5,905,839        | 4,609,889        |
|              | <b>5,905,839</b> | <b>4,609,889</b> |

Bank negotiable certificates of deposit, which are normally invested between 30 and 365 days were used during the period and are used as part of the cash management function.

### 6. RECEIVABLES – CURRENT

|                      | 2023<br>\$     | 2022<br>\$    |
|----------------------|----------------|---------------|
| Trade receivables    | 21,121         | -             |
| Other debtors        | 2              | 3,152         |
| Interest receivables | 59,063         | -             |
| GST receivables      | 16,045         | 14,490        |
| Prepayments          | 18,055         | 25,638        |
|                      | <b>114,286</b> | <b>43,280</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

## 7. TENEMENT SECURITY DEPOSITS

|                              | 2023<br>\$    | 2022<br>\$    |
|------------------------------|---------------|---------------|
| Cash at bank – bank deposits | 20,000        | 20,000        |
|                              | <b>20,000</b> | <b>20,000</b> |

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (Note: 19).

## 8. PROPERTY, PLANT AND EQUIPMENT

|                                | Plant &<br>equipment<br>\$ | Total<br>\$  |
|--------------------------------|----------------------------|--------------|
| <b>Year ended 30 June 2022</b> |                            |              |
| Opening net book amount        | 536                        | 536          |
| Additions                      | 1,749                      | 1,749        |
| Depreciation expense           | (493)                      | (493)        |
| <b>Closing net book amount</b> | <b>1,792</b>               | <b>1,792</b> |
| <b>At 30 June 2022</b>         |                            |              |
| Cost                           | 45,958                     | 45,958       |
| Accumulated depreciation       | (44,166)                   | (44,166)     |
| <b>Net book amount</b>         | <b>1,792</b>               | <b>1,792</b> |
| <b>Year ended 30 June 2023</b> |                            |              |
| Opening net book amount        | 1,792                      | 1,792        |
| Additions                      | -                          | -            |
| Depreciation expense           | (912)                      | (912)        |
| <b>Closing net book amount</b> | <b>880</b>                 | <b>880</b>   |
| <b>At 30 June 2023</b>         |                            |              |
| Cost                           | 45,958                     | 45,958       |
| Accumulated depreciation       | (45,078)                   | (45,078)     |
| <b>Net book amount</b>         | <b>880</b>                 | <b>880</b>   |

## 9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

|  | 2023<br>\$       | 2022<br>\$       |
|--|------------------|------------------|
| Costs brought forward  | 4,186,662        | 3,510,065        |
| Costs incurred during the period                                     | 3,003,485        | 690,077          |
| Expenditure written during the period                                | -                | (13,480)         |
| <b>Costs carried forward</b>   | <b>7,190,147</b> | <b>4,186,662</b> |
| <b>Exploration expenditure costs carried forward are made up of:</b> |                  |                  |
| Expenditure on joint arrangement areas                               | 50,000           | -                |
| Expenditure on non joint arrangement areas                           | 7,140,147        | 4,186,662        |
| <b>Costs carried forward</b>   | <b>7,190,147</b> | <b>4,186,662</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 2. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

### 10. ASSET ACQUISITIONS

#### Trigg Hill Lithium-Tantalum Project

On 19 September 2022, Eastern Resources Limited exercised its option and acquired 100% of the Trigg Hill Lithium-Tantalum Project in Western Australia from Amery Holdings Pty Ltd (Amery) for consideration of \$250,000 in cash, \$500,000 in shares and Amery retains a net smelter royalty of 1.5% on all minerals produced from the project.

EFE has recognised the acquired asset at fair value based on the consideration total value of \$750,000. The asset fair value was allocated to exploration and evaluation expenditure as disclosed in note 9.

The Trigg Hill project is located in East Pilbara, Western Australia, and approximately 75km SE of Pilbara Minerals Ltd.'s Pilgangoora Lithium mine.

#### Lepidolite Hill Lithium Project

On 7 June 2023, Eastern Resources Limited completed the acquisition of 70% of the Lepidolite Hill Lithium Project in Western Australia from Lithium Australia Limited for a total cash consideration of \$550,000 in three tranches. Both tranche 1 (deposit within 10 business days of execution) and tranche 2 (at completion which takes place 20 business days after signing) of \$50,000 and \$100,00 respectively were settled. Further \$400,000 from tranche 3 has not been settled at the reporting date and will be settled within 10 business days of the date that M15/1874 is granted and transferred to EFE.

EFE has recognised the acquired asset at fair value based on the consideration total value of tranche 1 and tranche 2 of \$150,000. The asset fair value was allocated to exploration and evaluation expenditure as disclosed in note 9.

Lepidolite Hill Lithium Project is located in the southern Ilgar Lithium Belt, an established lithium province in Western Australia.

### 11. PAYABLES – CURRENT LIABILITIES

|                  | 2023<br>\$     | 2022<br>\$     |
|------------------|----------------|----------------|
| Trade creditors  | 181,338        | 150,612        |
| Accrued expenses | 124,209        | 80,841         |
|                  | <b>305,547</b> | <b>231,453</b> |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

## 12. CONTRIBUTED EQUITY

|   | 2023<br>\$           | 2022<br>\$        |
|---|----------------------|-------------------|
| <b>(a) Share capital</b>  |                      |                   |
| 1,241,946,517 fully paid ordinary shares (2022: 994,436,687)<br>Fully paid ordinary shares carry one vote per share and carry the right to dividends. | 27,877,279           | 22,818,840        |
| <b>Share issue costs</b>  | (1,479,142)          | (1,307,378)       |
|   | <b>26,398,137</b>    | <b>21,511,462</b> |
|   | Number               | \$                |
| <b>Movements in ordinary shares on issue</b>  |                      |                   |
| <b>At 30 June 2021</b>  | <b>745,231,820</b>   | <b>18,262,715</b> |
| Shares issued   | 249,204,867          | 4,556,125         |
| <b>At 30 June 2022</b>  | <b>994,436,687</b>   | <b>22,818,840</b> |
| Shares issued (i),(ii),(iii),(iv),(v)   | 247,509,830          | 5,058,439         |
| <b>At 30 June 2023</b>  | <b>1,241,946,517</b> | <b>27,877,279</b> |

- (i) The Company issued 34,862,078 shares at \$0.029 each under share placement on 5 October 2022.
- (ii) The Company issued 68,965,517 shares at \$0.029 each under share placement to Ya Hua International Investment on 17 October 2022.
- (iii) The Company issued 16,129,032 shares at \$0.031 each on 17 November 2022 upon the exercise of the Trigg Hill Lithium Tantalum Project option approved by shareholders at AGM on 29 November 2022.
- (iv) The Company issued 600,000 shares on 18 November 2022 on exercise of \$0.040 options expiring on 30 September 2023
- (v) The Company issued 126,953,203 shares between 9 August 2022 and 31 January 2023 on exercise of \$0.012 options expiring on 31 January 2023.

### (b) Options

| Date                              | Number of options | Exercise price | Expiry date | Vested and exercisable at end of the year number | Weighted average exercise price |
|-----------------------------------|-------------------|----------------|-------------|--|---------------------------------|
| <i>Listed</i>                     |                   |                |             |  |                                 |
| <b>At 1 July 2022</b>             | 135,968,426       | \$0.012        | 31 Jan 23   | 135,968,426                                      | \$0.0120                        |
| 09 August 2022 to 31 January 2023 | (126,953,203)     | \$0.012        | 31 Jan 23   | (126,953,203)                                    | \$0.0120 (a)                    |
| 31 January 2023                   | (9,015,223)       | \$0.012        | 31 Jan 23   | (9,015,223)                                      | \$0.0120 (b)                    |
| <b>At 30 June 2023</b>            | <b>-</b>          |                |             | <b>-</b>   |                                 |
| <i>Unlisted</i>                   |                   |                |             |  |                                 |
| <b>At 1 July 2022</b>             | 38,450,000        |                |             | 38,450,000                                       | \$0.0308                        |
| 05 October 2022                   | 6,972,416         | \$0.0500       | 30 Sep 25   | 6,972,416  | \$0.0261 (c)                    |
| 17 October 2022                   | 13,793,103        | \$0.0500       | 30 Sep 25   | 13,793,103                                       | \$0.0261 (d)                    |
| 10 December 2022                  | (600,000)         | \$0.0400       | 30 Sep 23   | (600,000)  | \$0.0151 (e)                    |
| 28 December 2022                  | 19,000,000        | -              | 28 Nov 27   | 19,000,000                                       | \$0.0261 (f)                    |
| 20 May 2023                       | (16,000,000)      | \$0.0142       | 12 May 2023 | (16,000,000)                                     | \$0.0151 (g)                    |
| <b>At 30 June 2023</b>            | <b>61,615,519</b> |                |             | <b>61,615,519</b>                                | \$0.0320                        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

- (a) Exercise of 126,953,203 options at \$0.012 each expiring on 31 January 2023
- (b) There were 9,015,223 options at \$0.012 each not exercised and lapsed on 31 January 2023.
- (c) Allot of 6,972,416 options at \$0.050 each under share placement to sophisticated investors.
- (d) Allot of 13,793,103 options to Ya Hua International Investment of one option for each share issued under share placement on 17 October 2022.
- (e) Exercise of 600,000 options at \$0.040 each expiring on 30 September 2023.
- (f) Allot of 19,000,000 options to Directors and consultants under Performance Rights at nil consideration approved by shareholders at the AGM on 29 November 2022.
- (g) There were 16,000,000 options at \$0.0142 each not exercised and lapsed on 12 May 2023.

### Terms and Conditions of Contributed Equity

#### Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

#### Options

Options do not carry voting rights or rights to dividend until options are exercised.

## 13. RESERVES/SHARE-BASED PAYMENTS

### Reserves

|  | 2023<br>\$     | 2022<br>\$     |
|--|----------------|----------------|
| Balance at 1 July  | 931,883        | -              |
| Share-based payment expense during the financial year                      | 128,858        | 2,322,226      |
| Exercised of employee share option value transferred to accumulated losses | (189,007)      | (1,594,315)    |
| Underwriter options offer  | 376            | 2,500          |
| <b>Balance at 30 June</b>  | <b>872,110</b> | <b>931,883</b> |

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2023 and 2022.

### Types of Share-Based Payment Plans

#### Share-Based Payments

An Employee Share Option Plan (ESOP) has been established where selected officers and employees of the Company can be issued with options over ordinary shares in Eastern Resources Limited. The options, issued for nil consideration, will be issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX.

### Summary of Options Granted By The Parent Entity

|   | 2023<br>no.       | 2022<br>no.       |
|---|-------------------|-------------------|
| Outstanding at the beginning of the year  | 58,450,000        | 43,000,000        |
| Granted during the year                   | 22,755,001        | 51,000,000        |
| Exercised during the year                 | (36,600,000)      | (35,550,000)      |
| <b>Outstanding at the end of the year</b> | <b>44,605,001</b> | <b>58,450,000</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

## Option Pricing Model and Terms of Options

The following table lists the inputs to the options model and the terms of options granted:

| Grant date | Number of options issued | Exercise price | Expiry date | Expected volatility | Risk-free rate | Expected life years | Estimated fair value | Model used        |
|------------|--------------------------|----------------|-------------|---------------------|----------------|---------------------|----------------------|-------------------|
| Dec 21     | 25,000,000               | \$0.0400       | 30 Sep 23   | 100.00%             | 0.975%         | 1.8                 | \$0.0345             | Black-scholes (a) |
| Dec 21     | 1,500,000                | \$0.0800       | 7 Dec 23    | 100.00%             | 0.975%         | 2.0                 | \$0.0260             | Black-scholes (b) |
| Dec 21     | 24,500,000               | -              | 8 Dec 24    | 100.00%             | 0.975%         | 3.0                 | \$0.0580             | Black-scholes (c) |
| Nov 22     | 3,775,001                | \$0.0500       | 30 Sep 25   | 100.00%             | 2.850%         | 2.8                 | \$0.0198             | Black-scholes (d) |
| Dec 22     | 19,000,000               | -              | 28 Nov 27   | 100.00%             | 3.100%         | 4.9                 | \$0.0280             | Black-scholes (e) |

- (a) There were 25,000,000 options issued as part of the Lead Manager fees under Manager Options approved by shareholders at the AGM on 7 December 2021.
- (b) There were 1,500,000 options issued under Employee Incentive Scheme approved by shareholders at the AGM on 7 December 2021.
- (c) There were 24,500,000 options issued to Directors and consultants under Performance Rights at nil cash consideration approved by shareholders at the AGM on 7 December 2021.
- (d) There were 3,755,001 options issued to Lead Manager associated with capital raising approved by shareholders at the AGM on 29 November 2022.
- (e) There were 19,000,000 options issued to Directors and consultants under Performance Rights at nil cash consideration approved by shareholders at the AGM on 29 November 2022.

The options vested on grant date.

## Weighted average disclosures on options

|   | 2023                   | 2022                  |
|---|------------------------|-----------------------|
| Weighted average exercise price of options at 1 July              | \$0.0203               | \$0.0132              |
| Weighted average exercise price of options granted during period  | \$0.0261               | \$0.0220              |
| Weighted average exercise price of options outstanding at 30 June | \$0.0320               | \$0.0244              |
| Weighted average exercise price of options exercisable at 30 June | \$0.0320               | \$0.0244              |
| Weighted average contractual life                                 | 2.22 years             | 0.85 years            |
| Range of exercise price   | \$0.0400 -<br>\$0.0800 | \$0.012 -<br>\$0.0800 |

## 14. EARNINGS PER SHARE

|   | 2023                   | 2022                   |
|---|------------------------|------------------------|
| Net profit/(loss) used in calculating basic and diluted gain/(loss) per share                           | (718,874)              | (2,981,603)            |
|   | <b>Number</b>          | <b>Number</b>          |
| Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS | 1,142,320,291          | 906,292,481            |
|   | <b>Cents per share</b> | <b>Cents per share</b> |
| Basic earnings (loss) per share   | (0.06)                 | (0.33)                 |
| Diluted earnings (loss) per share   | (0.06)                 | (0.33)                 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

## 15. KEY MANAGEMENT PERSONNEL

### Key Management Personnel Compensation

The aggregate compensation made to key management personnel of the Group is set out below:

|                              | 2023<br>\$     | 2022<br>\$       |
|------------------------------|----------------|------------------|
| Short term employee benefits | 546,760        | 417,837          |
| Share based payments         | 51,634         | 1,288,980        |
|                              | <b>598,394</b> | <b>1,706,817</b> |

### Shareholdings of Key Management Personnel

#### Fully paid ordinary shares held in Eastern Resources Limited

|                  | Balance at start<br>of the year/on<br>appointment. | Granted as<br>compensation<br>during the year | Additions         | Net other<br>change | Balance at<br>the end of the<br>year/on<br>vacating office |
|------------------|--|---|-------------------|---------------------|--|
| <b>2023</b>      |  |   |                   |                     |  |
| A King           | 6,300,000  | -   | -                 | -                   | 6,300,000  |
| M Fang           | 13,754,166   | -   | 8,750             | -                   | 13,762,916   |
| J Hou            | 7,000,000  | -   | -                 | -                   | 7,000,000  |
| M Calderwood (i) | 18,704,032   | -   | 175,000           | -                   | 18,879,032   |
| <b>Total</b>     | <b>45,758,198</b>                                  | <b>-</b>                                      | <b>183,750</b>    | <b>-</b>            | <b>45,941,948</b>  |
| <b>2022</b>      |  |   |                   |                     |  |
| A King           | -  | -   | 6,300,000         | -                   | 6,300,000  |
| M Fang           | 87,500   | -   | 13,666,666        | -                   | 13,754,166   |
| J Hou (ii)       | -  | -   | 7,000,000         | -                   | 7,000,000  |
| T Taylor (iii)   | 11,904,767   | -   | -                 | -                   | 11,904,767   |
| <b>Total</b>     | <b>11,992,267</b>                                  | <b>-</b>                                      | <b>26,966,666</b> | <b>-</b>            | <b>38,958,933</b>  |

(i) Mr M Calderwood appointed as Non-Executive Director on 12 January 2023

(ii) Mr J Hou appointed as Non-Executive Director on 27 September 2021

(iii) Ms T Taylor resigned as Non-Executive Director on 27 September 2021

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

## Option Holdings of Key Management Personnel

### Share options held in Eastern Resources Limited

|                  | Balance at start of the year/on appointment | Granted as compensation during the year | Issued during the year | Exercised during the year | Expired During the year | Balance at the end of the year/on vacating office | Balance vested at the end of the year/on vacating office | Vested but not exercisable at the end of the year/on vacating office | Vested and exercisable at the end of the year/on vacating office | Options vested during year |
|------------------|---|---|------------------------|---------------------------|-------------------------|---|--|--|--|----------------------------|
| <b>2023</b>      |   |   |                        |                           |                         |   |  |  |  |                            |
| <b>Listed</b>    |   |   |                        |                           |                         |   |  |  |  |                            |
| A King           | -   | -                                       | -                      | -                         | -                       | -   | -  | -  | -  | -                          |
| M Fang           | 8,750                                       | -                                       | -                      | (8,750)                   | -                       | -   | -  | -  | -  | -                          |
| J Hou            | -   | -                                       | -                      | -                         | -                       | -   | -  | -  | -  | -                          |
| M Calderwood (i) | -   | -                                       | -                      | -                         | -                       | -   | -  | -  | -  | -                          |
| <b>Total</b>     | <b>8,750</b>                                | <b>-</b>                                | <b>-</b>               | <b>(8,750)</b>            | <b>-</b>                | <b>-</b>  | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>                   |
| <b>Unlisted</b>  |   |   |                        |                           |                         |   |  |  |  |                            |
| A King           | 7,000,000                                   | 5,000,000                               | -                      | -                         | -                       | 12,000,000  | 7,000,000  | -  | 7,000,000  | -                          |
| M Fang           | 7,000,000                                   | 5,000,000                               | -                      | -                         | -                       | 12,000,000  | 7,000,000  | -  | 7,000,000  | -                          |
| J Hou            | 1,000,000                                   | 5,000,000                               | -                      | -                         | -                       | 6,000,000   | 1,000,000  | -  | 1,000,000  | -                          |
| M Calderwood (i) | 175,000                                     | 2,000,000                               | -                      | (175,000)                 | -                       | 2,000,000   | -  | -  | -  | -                          |
| <b>Total</b>     | <b>15,175,000</b>                           | <b>17,000,000</b>                       | <b>-</b>               | <b>(175,000)</b>          | <b>-</b>                | <b>32,000,000</b>                                 | <b>15,000,000</b>  | <b>-</b>   | <b>15,000,000</b>  | <b>-</b>                   |

(i) Mr M Calderwood appointed as Non-Executive Director on 12 January 2023

|                 | Balance at start of the year/on appointment | Granted as compensation during the year | Issued during the year | Exercised during the year | Expired During the year | Balance at the end of the year/on vacating office | Balance vested at the end of the year/on vacating office | Vested but not exercisable at the end of the year/on vacating office | Vested and exercisable at the end of the year/on vacating office | Options vested during year |
|-----------------|---|---|------------------------|---------------------------|-------------------------|---|--|--|--|----------------------------|
| <b>2022</b>     |   |   |                        |                           |                         |   |  |  |  |                            |
| <b>Listed</b>   |   |   |                        |                           |                         |   |  |  |  |                            |
| A King          | -   | -                                       | -                      | -                         | -                       | -   | -  | -  | -  | -                          |
| M Fang          | 8,750                                       | -                                       | -                      | -                         | -                       | 8,750   | 8,750  | -  | 8,750  | -                          |
| J Hou           | -   | -                                       | -                      | -                         | -                       | -   | -  | -  | -  | -                          |
| T Taylor        | -   | -                                       | -                      | -                         | -                       | -   | -  | -  | -  | -                          |
| <b>Total</b>    | <b>8,750</b>                                | <b>-</b>                                | <b>-</b>               | <b>-</b>                  | <b>-</b>                | <b>8,750</b>                                      | <b>8,750</b>   | <b>-</b>   | <b>8,750</b>   | <b>-</b>                   |
| <b>Unlisted</b> |   |   |                        |                           |                         |   |  |  |  |                            |
| A King          | 7,000,000                                   | 6,300,000                               | -                      | (6,300,000)               | -                       | 7,000,000   | 7,000,000  | -  | 7,000,000  | 6,300,000                  |
| M Fang          | 7,000,000                                   | 7,000,000                               | -                      | (7,000,000)               | -                       | 7,000,000   | 7,000,000  | -  | 7,000,000  | 7,000,000                  |
| J Hou (i)       | 1,000,000                                   | 7,000,000                               | -                      | (7,000,000)               | -                       | 1,000,000   | 1,000,000  | -  | 1,000,000  | 7,000,000                  |
| T Taylor (ii)   | 7,000,000                                   | -                                       | -                      | -                         | -                       | 7,000,000   | 7,000,000  | -  | 7,000,000  | -                          |
| I White (iii)   | 1,000,000                                   | 1,500,000                               | -                      | (1,000,000)               | -                       | 1,500,000   | 1,500,000  | -  | 1,500,000  | 1,500,000                  |
| <b>Total</b>    | <b>23,000,000</b>                           | <b>21,800,000</b>                       | <b>-</b>               | <b>(21,300,000)</b>       | <b>-</b>                | <b>23,500,000</b>                                 | <b>23,500,000</b>  | <b>-</b>   | <b>23,500,000</b>  | <b>21,800,000</b>          |

(i) Mr J Hou appointed as Non-Executive Director on 27 September 2021

(ii) Ms T Taylor resigned as Non- Executive Director on 27 September 2021

(iii) Mr I White resigned as Company Secretary on 14 February 2022

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 16. RELATED PARTY DISCLOSURES

#### (i) Amery Holdings Pty Ltd

Mark Calderwood, a Non-Executive Director, is also the founder of Amery Holdings Pty Ltd. Eastern Resources Limited has exercised its option through its wholly owned subsidiary, Eastern Lithium Pty Ltd, and acquired 100% of the Trigg Hill Lithium Tantalum Project in Western Australia from Amery Holdings Pty Ltd for consideration of \$250,000 in cash, \$500,000 in shares and Amery retains a net smelter royalty of 1.5% on all minerals produced from the project. In addition, prior to becoming a director of the company, Mark Calderwood received \$28,000 for his consulting services payable to Amery Holdings Pty Ltd.

#### Subsidiaries

The consolidated financial statements include the financial statements of Eastern Resources Limited (the Parent Entity) and the following subsidiaries:

| Name                    | Country of incorporation | % Equity interest |      |
|-------------------------|--------------------------|-------------------|------|
|                         |                          | 2023              | 2022 |
| Queensland Iron Pty Ltd | Australia                | 100               | 100  |
| Gippsland Iron Pty Ltd  | Australia                | 100               | 100  |
| EFE Yongxing Pty Ltd    | Australia                | 60                | 60   |
| Eastern Lithium Pty Ltd | Australia                | 100               | -    |

### 17. AUDITORS' REMUNERATION

|                               | 2023<br>\$    | 2022<br>\$    |
|-------------------------------|---------------|---------------|
| Audit of the Group's accounts | 33,000        | 29,000        |
| Non-audit services            | 3,000         | -             |
|                               | <b>36,000</b> | <b>29,000</b> |

### 18. FINANCIAL REPORT BY SEGMENT

The operating segments identified by management are as follows:

#### Exploration Projects Funded Directly by Eastern Resources Limited ("Exploration")

Regarding the Exploration segment, the Chief Operating Decision Maker (the Board of directors) receives information on the exploration expenditure incurred. This information is disclosed in Note 9 of this financial report. No segment revenues are disclosed as each exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off which is disclosed in Note 9.

Financial information about each of these tenements is reported to the Board as a whole, on an ongoing basis.

Corporate office activities are not allocated to operating segments as they are not considered part of the core operations of any segment and comprise of the following:

- Interest revenue.
- Corporate costs.
- Depreciation and amortisation of non-project specific property, plant and equipment.

### 19. CONTINGENT LIABILITIES

The Group has provided guarantees totalling \$20,000 in respect of an exploration tenement in Victoria. This guarantee in respect of an exploration tenement is secured against deposits with Victorian Department of Economic Development, Jobs, Transport and Resources with a banking institution. The Group does not expect to incur any material liability in respect of the guarantees.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### 20. FINANCIAL INSTRUMENTS

The Board as a whole is responsible for reviewing the Group's policies on risk oversight and management and satisfying itself that Senior Management have developed and implemented a sound system of risk management and internal control. The Group's risk management policy has been designed to identify, assess, monitor and manage material business risks to ensure effective management of risk. These policies are reviewed regularly to reflect material changes in market conditions and the Group's risk profile.

The main risks identified in the Group's financial instruments are capital risk, credit risk, liquidity risk, interest rate risk and commodity price risk. Summarised below is information about the Group's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, the management of capital and financial instruments.

#### Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Group. In order to achieve this objective, the Group seeks to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs.

The Board ensures costs are not incurred in excess of available funds and will seek to raise additional funding through the issue of shares for the continuation of the Group's operations when required.

The Group considers its capital to comprise of its ordinary share capital, option reserve and accumulated losses. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

#### Financial Risk Management Objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board, through the Audit Committee, has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are designed to avoid exposure to, and minimise the potential impacts of these risks on the results of the Group where such impacts may be material. The Board receives regular reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. These risks include credit risk, liquidity risk, interest rate risk and commodity price risk. The Group does not use derivative financial instruments to hedge these risk exposures.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these risks are set out below.

#### Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group mitigates credit risk on cash and cash equivalents by dealing with banks that have high credit ratings assigned by Standard and Poors. There are two counterparties for Cash and Cash equivalents which are Commonwealth Bank and Bank of Western Australia Limited. Credit risk of receivables is low as it consists predominantly of GST recoverable from the Australian Taxation Office and interest receivable from deposits held with regulated banks.

The maximum exposure to credit risk at balance date is as follows:

|  | 2023<br>\$       | 2022<br>\$       |
|--|------------------|------------------|
| Cash and cash equivalents                      | 5,905,839        | 4,609,889        |
| Receivables                                    | 114,286          | 43,280           |
| Deposits with Government Departments and banks | 20,000           | 20,000           |
|  | <b>6,040,125</b> | <b>4,673,169</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

## Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity risk rests with the Board of Directors, who have built an appropriate risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's contractual maturities of financial liabilities:

| Financial liabilities | Carrying amount<br>\$ | <12 months<br>\$ | 1-3 years<br>\$ | >3 years<br>\$ |
|-----------------------|-----------------------|------------------|-----------------|----------------|
| <b>2023</b>           |                       |                  |                 |                |
| Payables              | 305,547               | 305,547          | -               | -              |
|                       | <b>305,547</b>        | <b>305,547</b>   | -               | -              |
| <b>2022</b>           |                       |                  |                 |                |
| Payables              | 231,453               | 231,453          | -               | -              |
| Other liabilities     | 1,600                 | 1,600            | -               | -              |
|                       | <b>233,053</b>        | <b>233,053</b>   | -               | -              |

The following table details the Group's expected maturity for financial assets:

| Financial assets                               | Carrying amount<br>\$ | <12 months<br>\$ | 1-3 years<br>\$ | >3 years<br>\$ |
|--|-----------------------|------------------|-----------------|----------------|
| <b>2023</b>                                    |                       |                  |                 |                |
| Cash at bank and term deposits                 | 5,905,839             | 5,905,839        | -               | -              |
| Receivables                                    | 114,286               | 114,286          | -               | -              |
| Deposits with banks and Government Departments | 20,000                | -                | -               | 20,000         |
|  | <b>6,040,125</b>      | <b>6,020,125</b> | -               | <b>20,000</b>  |
| <b>2022</b>                                    |                       |                  |                 |                |
| Cash at bank and term deposits                 | 4,609,889             | 4,609,889        | -               | -              |
| Receivables                                    | 43,280                | 43,280           | -               | -              |
| Deposits with banks and Government Departments | 20,000                | -                | -               | 20,000         |
|  | <b>4,673,169</b>      | <b>4,653,169</b> | -               | <b>20,000</b>  |

## Interest Rate Risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's cash holdings and short term deposits. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

At balance date, the Group was exposed to floating weighted average interest rates as follows:

|  | 2023<br>\$ | 2022<br>\$ |
|--|------------|------------|
| Weighted average rate of cash balances | 0.6%       | 0.01%      |
| Cash balances                          | 1,405,839  | 4,609,889  |
| Weighted average rate of term deposits | 4.0%       | -          |
| Term deposits                          | 4,500,000  | -          |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

The Group invests surplus cash in interest-bearing term deposits with financial institutions and in doing so it exposes itself to the fluctuations in interest rates that are inherent in such a market. Term deposits are normally invested between 30 to 365 days and other cash at bank balances are at call.

The Group's exposure to interest rate risk is set out in the table below:

| Sensitivity analysis                        | Carrying amount  | +1.0% of AUD IR |                 | -1.0% of AUD IR |                 |
|---|------------------|-----------------|-----------------|-----------------|-----------------|
|   |                  | Profit \$       | Other equity \$ | Profit \$       | Other equity \$ |
| <b>2023</b>                                 |                  |                 |                 |                 |                 |
| Cash and cash equivalents                   | 5,905,839        | 59,058          | -               | (59,058)        | -               |
| Tax charge of 25.0%                         | -                | (14,765)        | -               | 14,765          | -               |
| <b>After tax profit increase/(decrease)</b> | <b>5,905,839</b> | <b>44,293</b>   | <b>-</b>        | <b>(44,293)</b> | <b>-</b>        |
| <b>2022</b>                                 |                  |                 |                 |                 |                 |
| Cash and cash equivalents                   | 4,609,889        | 46,099          | -               | (46,099)        | -               |
| Tax charge of 25.0%                         | -                | (11,525)        | -               | 11,525          | -               |
| <b>After tax profit increase/(decrease)</b> | <b>4,609,889</b> | <b>34,574</b>   | <b>-</b>        | <b>(34,574)</b> | <b>-</b>        |

The above analysis assumes all other variables remain constant.

### Commodity Price Risk

The Group is exposed to commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Group does not hedge its exposures.

### Net Fair Value Of Financial Assets and Liabilities

The carrying amount of financial assets and liabilities of the Group approximate their net fair values, given the short time frames to maturity and or variable interest rates.

## 21. COMMITMENTS

### Licence Expenditure Requirements

In order to maintain the Group's tenements in good standing with the various mines departments, the Group will be required to incur expenditure under the terms of each licence. As at 30 June 2023 the Group holds one exploration licence, one exploration licence application and one retention licence application in Victoria. There is no expenditure requirement for title applications.

|  | 2023<br>\$     | 2022<br>\$       |
|--|----------------|------------------|
| Payable not later than one year                              | 119,732        | 358,668          |
| Payable later than one year but not later than two years     | 36,212         | 324,998          |
| Payable later than two years but not later than three years  | 148,146        | 350,000          |
| Payable later than three years but not later than four years | 300,000        | 325,002          |
| Payable later than four years but not later than five years  | 250,000        | 200,002          |
| Payable later than five years but not later than six years   | 50,000         | 58,332           |
| Payable later than six years but not later than seven years  | 50,000         | 24,996           |
|  | <b>954,090</b> | <b>1,641,998</b> |

It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Group from time to time. These commitments can be negotiated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

## 22. STATEMENT OF CASH FLOWS

|   | 2023<br>\$       | 2022<br>\$       |
|---|------------------|------------------|
| <b>Reconciliation of net cash outflow from operating activities to operating loss after income tax</b>  |                  |                  |
| (a) Operating (loss) after income tax   | (718,874)        | (2,981,603)      |
| (b)   |                  |                  |
| Depreciation  | 912              | 492              |
| Exploration and evaluation expenditure written off  | -                | 13,480           |
| Share-based payments  | 128,858          | 2,322,226        |
| <b>Change in assets and liabilities:</b>  |                  |                  |
| Decrease/(Increase) in receivables  | (54,397)         | 9,650            |
| Increase/Decrease in trade and other creditors  | 19,688           | 121,153          |
| Net cash outflow from operating activities  | <b>(623,813)</b> | <b>(514,602)</b> |
| (c) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.<br>The balance at 30 June comprised: |                  |                  |
| Cash assets   | 5,905,839        | 4,609,889        |
| Cash on hand  | <b>5,905,839</b> | <b>4,609,889</b> |

## 23. PARENT ENTITY INFORMATION

|   | 2023<br>\$        | 2022<br>\$         |
|---|-------------------|--------------------|
| Current assets  | 6,019,979         | 4,653,021          |
| <b>Total assets</b>   | <b>19,121,332</b> | <b>14,819,041</b>  |
| Current liabilities   | 237,075           | 233,053            |
| <b>Total liabilities</b>                                      | <b>237,075</b>    | <b>233,053</b>     |
| Issued capital  | 26,398,137        | 21,511,462         |
| Accumulated losses  | (8,385,990)       | (7,857,357)        |
| Share based payment reserve                                   | 872,110           | 931,883            |
| <b>Total shareholders' equity</b>                             | <b>18,884,257</b> | <b>14,585,988</b>  |
| Profit/(loss) of the parent entity                            | (717,640)         | (2,971,269)        |
| <b>Total comprehensive income/(loss) of the parent entity</b> | <b>(717,640)</b>  | <b>(2,971,269)</b> |

## 24. EVENTS AFTER THE BALANCE SHEET DATE

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2023 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

# DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Eastern Resources Limited, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of the Group financial position as at 30 June 2023 and of its performance for the year ended on that date.
  - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and
- (c) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (d) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

On behalf of the Board



Ariel Edward King

**Chairman**

20 September 2023

## Independent Auditor's Report

To the members of Eastern Resources Limited,

### Report on the Financial Report

#### Opinion

We have audited the accompanying financial report of Eastern Resources Limited (the company and its subsidiaries) ("the Group"), which comprises the consolidated statements of financial position as at 30 June 2023, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Tax

Accounting

Financial  
Advice

Super

Audit

Loans

Phone

+61 2 9956 8500

Email

bdj@bdj.com.au

Office

Level 8, 124  
Walker Street  
North Sydney  
NSW 2060

Postal

PO Box 1664,  
North Sydney  
NSW 2059

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter  | How our audit addressed the key audit matter  |
|---|---|
| <p><b>Capitalised Deferred Exploration and Evaluation Expenditure</b><br/>\$7.1 million<br/>Refer to Note 9</p>   |   |
| <p>The consolidated entity owns the rights to exploration and mining licenses in Victoria and Western Australia. Expenditure relating to these areas is capitalised and carried forward to the extent they are expected to be recovered through the successful development of the respective area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.</p> <p>This area is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the balance;</li> <li>• The inherent uncertainty of the recoverability of the amount involved; and</li> <li>• The substantial amount of audit work performed.</li> </ul> | <p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> <li>• Assessing whether any facts or circumstances exist that may indicate impairment of the capitalised assets;</li> <li>• Performing detailed testing of source documents to ensure capitalised expenditure was allocated to the correct area of interest;</li> <li>• Performing detailed testing of source documents to ensure expenditure was capitalised in accordance with Australian Accounting Standards;</li> <li>• Obtaining external confirmations to ensure the licences are current and accurate; and</li> <li>• Assessing the reasonableness of the capitalisation of directors' fees.</li> </ul> |

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Tax

Accounting

Financial  
Advice

Super

Audit

Loans

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Eastern Resources Limited for the year ended 30 June 2023 complies with section 300A of the Corporations Act 2001.

### Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDJ Partners

.....  
Gregory Cliffe  
Partner

23 September 2023

Tax

Accounting

Financial  
Advice

Super

Audit

Loans

## ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited and not disclosed elsewhere in this report is applicable as at 12 September 2023.

### Shareholdings

There are 1,241,946,461 fully paid ordinary shares on issue.

#### Substantial Shareholders

| Fully Paid Ordinary Shares                          | Number      | %     |
|---|-------------|-------|
| CITICORP NOMINEES PTY LIMITED                       | 146,088,992 | 11.76 |
| YAHUA INTERNATIONAL INVESTMENT & DEVELOPMENT CO LTD | 123,565,517 | 9.95  |

#### Twenty Largest Ordinary Fully Paid Shareholders

| Name   | Fully Paid Ordinary Shares |               |
|--|----------------------------|---------------|
|  | Number                     | %             |
| CITICORP NOMINEES PTY LIMITED                              | 146,088,992                | 11.76         |
| YAHUA INTERNATIONAL INVESTMENT & DEVELOPMENT CO LTD        | 123,565,517                | 9.95          |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 24,018,229                 | 1.93          |
| AMERY HOLDINGS PTY LTD                                     | 16,329,032                 | 1.31          |
| FUNDMAX PTY LTD  | 13,666,666                 | 1.10          |
| MRS CHAO WANG  | 12,658,000                 | 1.02          |
| CAJ PTY LTD  | 12,246,413                 | 0.99          |
| PLANNING & PROPERTY PARTNERS PTY LTD                       | 11,413,003                 | 0.92          |
| MR VICTOR MENSCHIKOV                                       | 10,000,000                 | 0.81          |
| MR CHRIS CARR & MRS BETSY CARR                             | 9,500,000                  | 0.76          |
| MR MASSIMO RAIOLA  | 9,500,000                  | 0.76          |
| MISS XUWEN TU  | 8,820,000                  | 0.71          |
| EIGHTEEN HOLDINGS PTY LTD                                  | 8,000,000                  | 0.64          |
| TWIN FORCE PTY LTD   | 7,953,888                  | 0.64          |
| MS CHENXIN LIN   | 7,500,000                  | 0.60          |
| NEXT STREET PTY LTD <JISM FAMILY A/C>                      | 7,000,000                  | 0.56          |
| MR YONG HONG ZHOU  | 7,000,000                  | 0.56          |
| MR YIBING JIAN   | 6,800,000                  | 0.55          |
| MR NEVILLE JOHN HOLZ & MRS LYNETTE HOLZ                    | 6,000,000                  | 0.48          |
| MR PENG CHOONG LIEW  | 5,500,000                  | 0.44          |
| <b>Total of top 20 holdings</b>                            | <b>453,559,740</b>         | <b>36.52</b>  |
| Other holdings   | 788,386,721                | 63.48         |
| <b>Total ordinary shares</b>                               | <b>1,241,946,461</b>       | <b>100.00</b> |

#### Distribution of Equity Securities

| Range                                    | No of shareholders | Shares               | %             |
|--|--------------------|----------------------|---------------|
| above 0 up to and including 1,000        | 72                 | 14,446               | 0.00          |
| above 1,000 up to and including 5,000    | 60                 | 189,642              | 0.02          |
| above 5,000 up to and including 10,000   | 268                | 2,272,920            | 0.18          |
| above 10,000 up to and including 100,000 | 1,951              | 86,929,466           | 7.00          |
| above 100,000                            | 1,290              | 1,152,539,987        | 92.80         |
| <b>Totals</b>                            | <b>3,641</b>       | <b>1,241,946,461</b> | <b>100.00</b> |



## ADDITIONAL INFORMATION

### Unquoted Securities

| Top holders unlisted options - \$0.04 expiring 30 September 2023 | Number            | %             |
|--|-------------------|---------------|
| C G NOMINEES (AUSTRALIA) PTY LTD                                 | 10,000,000        | 49.14         |
| ZACHELLA PTY LTD <THE RIPPER SUPER FUND A/C>                     | 8,100,000         | 39.80         |
| CPS CAPITAL GROUP PTY LTD  | 2,250,000         | 11.06         |
| <b>Total unlisted options</b>                                    | <b>20,350,000</b> | <b>100.00</b> |

| Distribution of unlisted options - \$0.04 expiring 30 September 2023 |                     |                   |               |
|--|---------------------|-------------------|---------------|
| Range  | No of optionholders | Options           | %             |
| above 0 up to and including 1,000                                    | -                   | -                 | -             |
| above 1,000 up to and including 5,000                                | -                   | -                 | -             |
| above 5,000 up to and including 10,000                               | -                   | -                 | -             |
| above 10,000 up to and including 100,000                             | -                   | -                 | -             |
| above 100,000  | 3                   | 20,350,000        | 100.00        |
| <b>Totals</b>  | <b>3</b>            | <b>20,350,000</b> | <b>100.00</b> |

| Top holders unlisted employee share options - \$0.08 expiring 23 December 2023 | Number           | %             |
|--|------------------|---------------|
| GREG DE ROSS & ASSOCIATES PTY LTD  | 500,000          | 33.33         |
| AMERY HOLDINGS PTY LTD   | 500,000          | 33.33         |
| IAN KEITH WHITE  | 500,000          | 33.33         |
| <b>Total unlisted options</b>  | <b>1,500,000</b> | <b>100.00</b> |

| Distribution of unlisted employee share options - \$0.08 expiring 23 December 2023 |                     |                  |               |
|--|---------------------|------------------|---------------|
| Range  | No of optionholders | Options          | %             |
| above 0 up to and including 1,000  | -                   | -                | -             |
| above 1,000 up to and including 5,000  | -                   | -                | -             |
| above 5,000 up to and including 10,000   | -                   | -                | -             |
| above 10,000 up to and including 100,000   | -                   | -                | -             |
| above 100,000  | 3                   | 1,500,000        | 100.00        |
| <b>Totals</b>  | <b>3</b>            | <b>1,500,000</b> | <b>100.00</b> |

## ADDITIONAL INFORMATION

| Top holder unlisted options - \$0.05 expiring 30 September 2025 | Number            | %             |
|---|-------------------|---------------|
| YA HUA INTL INV AND DEVELOPMENT CO LTD                          | 13,793,103        | 66.42         |
| STEV SAND PTY LTD   | 1,379,311         | 6.64          |
| UBS NOMINEES PTY LTD  | 689,655           | 3.32          |
| GOLD GEOLOGICAL CONSULTING PTY LTD                              | 689,655           | 3.32          |
| IAN & JON INVESTMENT PTY LTD <IAN & JON INVESTMENT A/C>         | 689,655           | 3.32          |
| HARDMAIL PTY LTD  | 400,000           | 1.93          |
| ROTHERWOOD ENTERPRISES PTY LTD                                  | 400,000           | 1.93          |
| ANNLEW INVESTMENTS PTY LTD <ANNLEW INVESTMENTS PL SF A/C>       | 400,000           | 1.93          |
| INVENET PTY LTD <INVENET SUPER FUND A/C>                        | 344,828           | 1.66          |
| MR MATTHEW LINDSAY ROBERTS                                      | 344,828           | 1.66          |
| SHRIVER NOMINEES PTY LTD  | 344,828           | 1.66          |
| MR OON TIAN YEOH & MRS ELZBIETA HELENA YEOH                     | 275,862           | 1.33          |
| MR MARCO DI PIETRO  | 206,897           | 1.00          |
| BENUSSI ROVIGNO PTY LTD <BENUSSI SF A/C>                        | 206,897           | 1.00          |
| CASCADE COMPANY PTY LTD   | 206,897           | 1.00          |
| BLUE HEELER CAPITAL PTY LTD                                     | 137,931           | 0.66          |
| PASTRO HOLDINGS PTY LTD   | 137,931           | 0.66          |
| MR MUNISH MALHOTRA  | 103,448           | 0.50          |
| SABA NOMINEES PTY LTD <SABA A/C>                                | 13,793            | 0.07          |
| <b>Total unlisted options</b>                                   | <b>20,765,519</b> | <b>100.00</b> |

| Distribution of unlisted options - \$0.05 expiring 30 September 2025 |                     |                   |               |
|--|---------------------|-------------------|---------------|
| Range  | No of optionholders | Options           | %             |
| above 0 up to and including 1,000                                    | -                   | -                 | -             |
| above 1,000 up to and including 5,000                                | -                   | -                 | -             |
| above 5,000 up to and including 10,000                               | -                   | -                 | -             |
| above 10,000 up to and including 100,000                             | 1                   | 13,793            | 0.07          |
| above 100,000  | 18                  | 20,751,726        | 99.93         |
| <b>Totals</b>  | <b>19</b>           | <b>20,765,519</b> | <b>100.00</b> |

### Voting Rights

There are no restrictions on voting rights. On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof.

Quoted and unquoted options carry no voting rights.

### Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's website at:

[www.easternresources.com.au/corporate/corporate-governance](http://www.easternresources.com.au/corporate/corporate-governance).

### Other

There are 1834 shareholders with less than a marketable parcel of shares.

There is no current on-market buy-back.



# Corporate Directory

## Board of Directors

Ariel Edward King  
Non-Executive Chairman

Myles Fang  
Executive Director

Jason Hou  
Non-Executive Director

Mark Calderwood  
Non-Executive Director

---

## Company Secretary

Heath Roberts

---

## Principal and Registered Office

Level 1, 80 Chandos Street  
St Leonards, NSW 2065  
T: +61 2 9906 7551  
[info@easternresources.com.au](mailto:info@easternresources.com.au)  
[www.easternresources.com.au](http://www.easternresources.com.au)

---

## ASX Share Register

Automic  
E: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)  
T: 1300 288 664 (within Australia)  
or 61 2 9698 5414  
[www.automicgroup.com.au](http://www.automicgroup.com.au)

---

## Auditors

BDJ Partners  
Level 8, 124 Walker Street  
North Sydney NSW 2060

---

## Securities Exchange Listing

Australian Securities Exchange  
ASX Code: EFE



**ER** EASTERN  
RESOURCES LIMITED

A Level 1, 80 Chandos Street, St Leonards NSW 2065  
T +61 2 9906 7551 | E [info@easternresources.com.au](mailto:info@easternresources.com.au)  
ABN 70 126 678 037 | ASX EFE

[www.easternresources.com.au](http://www.easternresources.com.au)