

Thursday 11 September 2008

Company Announcements Office  
Australian Securities Exchange

### Eastern Iron – Drysdale Resources Joint Venture

Eastern Iron Limited (ASX Code: EFE) is pleased to advise the signing of a Joint Venture Agreement with Drysdale Resources Pty Ltd (Drysdale) (a private unlisted company) regarding opportunities for alluvial material, particularly channel iron, in Exploration Licence 6751 (Figure 1). This tenement, currently held by Drysdale, is located approximately 25 kilometres northeast of Cobar by sealed road, with most of the licence less than 20 kilometres from rail infrastructure. Eastern Iron will explore for Channel Iron Deposits (CID) and alluvial minerals in near-surface palaeochannels similar to those in the nearby Eastern Iron tenements. Drysdale will retain the rights to base and precious metals in basement rocks.

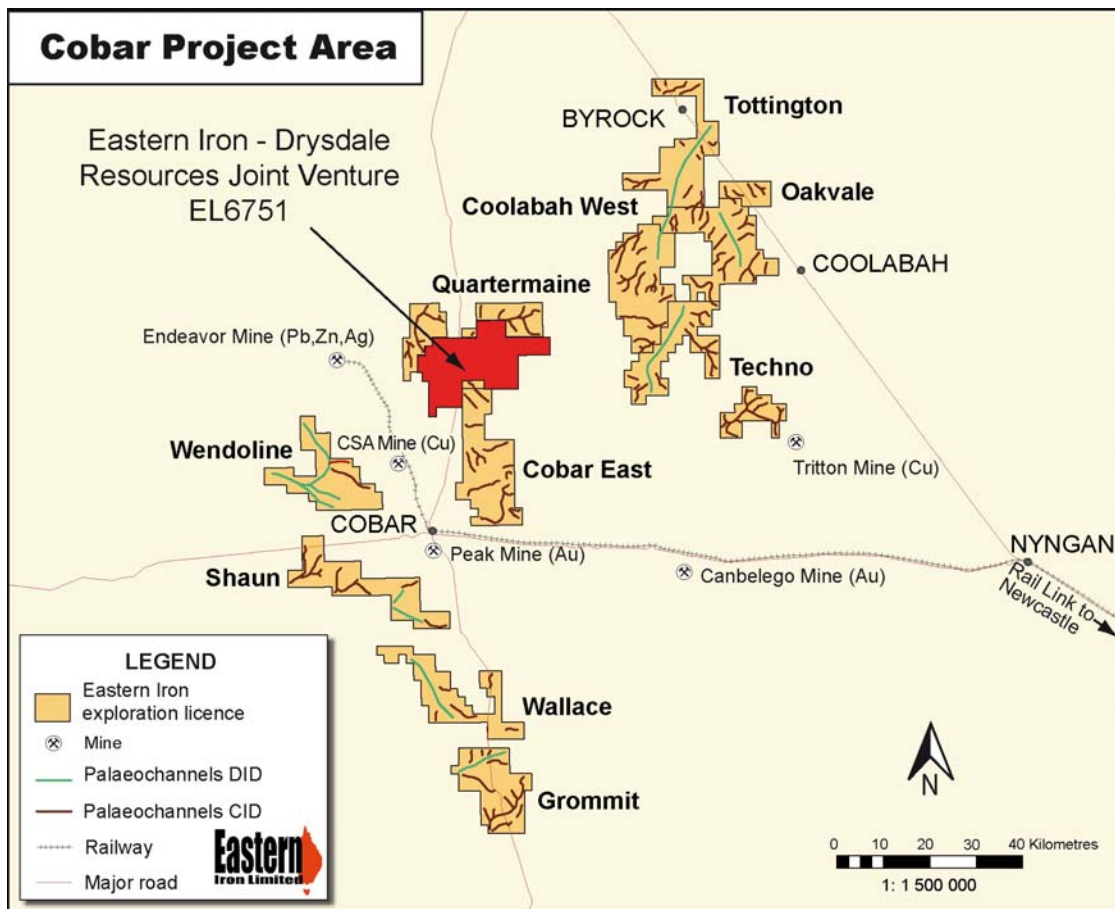


Figure 1. Location of EL6751 and other Eastern Iron Project Areas near Cobar NSW

The terms for the agreement are as follows:

- Eastern Iron can earn an interest in all minerals within the alluvial channel-fill material. The joint venture area extends from surface to the base of the palaeochannels and does not include basement rocks.
- Eastern Iron must complete a Stage One work program consisting of aircore drilling within 6 months.
- Eastern Iron will have earned the right to take the project to a mineable stage when it has completed total expenditure on the exploration area of \$180,000 and completed a feasibility study. Eastern Iron will then have the right to earn a 100% interest in the exploration area by developing a commercial scale mining operation within five years. Drysdale will retain a 2% NSR royalty.

Exploration Licence 6751 has an area of 295 square kilometres and interpretation of aeromagnetic data by Eastern Iron indicates that 35 linear kilometres of palaeochannel target exist within the licence. These channels form part of a major palaeochannel system being systematically explored and drilled by Eastern Iron. Landowner negotiations to enable access and drilling are expected to commence in late September 2008.

Eastern Iron Limited

**Peter Buckley**  
Managing Director

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter M Buckley, BSc (Hons), who is a member of the Australian Institute of Geoscientists. Peter M Buckley is Managing Director of Eastern Iron Limited and a full-time employee of PlatSearch NL. Peter M Buckley 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". Peter M Buckley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## **Investor Information**

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