

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

EASTERN IRON LIMITED



ABN

70 126 678 037

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows**Cash flows related to operating activities**

	Current quarter 31 Dec 2009 \$A'000	Year to date (6 months) 31 Dec 2009 \$A'000
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for (a) exploration and evaluation	(143)	(370)
(b) development	0	0
(c) production	0	0
(d) administration	(85)	(205)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	31	56
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Other - rental income	0	2
Net Operating Cash Flows	(197)	(517)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	0	0
1.9 Proceeds from sale of: (a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	0	0
1.10 Loans to other entities	0	0
1.11 Loans repaid by other entities	0	0
1.12 Other - exploration on behalf of joint venturers	0	0
- joint venture cash calls received	0	0
Net investing cash flows	0	0
1.13 Total operating and investing cash flows (carried forward)	(197)	(517)

	Current quarter \$A'000	Year to date \$A'000
1.13 Total operating and investing cash flows (brought forward)	(197)	(517)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc	0	0
1.15 Proceeds from sale of forfeited shares	0	0
1.16 Proceeds from borrowings	0	0
1.17 Repayment of borrowings	0	0
1.18 Dividends paid	0	0
1.19 Other - Share issue costs	0	0
Net financing cash flows	0	0
Net increase (decrease) in cash held	(197)	(517)
1.20 Cash at beginning of quarter/year to date	2,987	3,307
1.21 Exchange rate adjustments to item 1.20	0	0
1.22 Cash at end of quarter	2,790	2,790

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	86
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil
1.25 Explanation necessary for an understanding of the transactions	
Salaries, directors' fees and consultancy fees at normal commercial rates	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

Financing facilities available*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	0
Total	200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	93	116
5.2 Deposits at call	0	0
5.3 Bank overdraft	0	0
5.4 Other - bills receivable, bank accepted and short term bank deposits	2,697	2,871
Total: cash at end of quarter (item 1.22)	2,790	2,987

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

6.3 The full Eastern Iron schedule of tenements is included as an attachment to this report.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total Number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities	Nil			
7.2 Changes during quarter	Nil			
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities - fully paid EFE	46,000,000	26,000,450 *		
7.4 Changes during quarter				
(a) Increases through issues	Nil			
(b) Decreases through return of capital, buy-backs	Nil			
7.5 Convertible debt securities	Nil			
7.6 Changes during quarter	Nil			
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
EFE 25 cents	120,000	0	\$0.25	19 Dec 2010
EFE 25 cents – Escrowed **	4,150,000	0	\$0.25	19 Dec 2010
EFE 35 cents – Escrowed **	5,000,000	0	\$0.35	19 Dec 2012
EFEO 12 cents	23,000,011	23,000,011	\$0.12	19 Dec 2010
7.8 Issued during quarter	Nil			
7.9 Exercised during quarter	Nil			
7.10 Expired during quarter	Nil			
7.11 Debentures (totals only)	Nil			
7.12 Unsecured notes (totals only)	Nil			

* 19,999,550 escrowed until 16 May 2010

** 9,150,000 escrowed until 16 May 2010

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.

Sign here: Michelle Lilley Date: 28 January 2010
(Director / Company Secretary)

Print name: Michelle Lilley

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenements, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Tenement	Tenement Number	Interest	Joint Venture Details
NEW SOUTH WALES			
Cobar Project Area			
Cobar East	EL 6710	80%	PlatSearch 20%
Coolabah West	EL 6711	80%	PlatSearch 20%
Oakvale	EL 6706	80%	PlatSearch 20%
Hutch	EL 6751	0% *	Drysdale Resources 100%
Quartermaine	EL 6953	80%	PlatSearch 20%
Techno	EL 6954	80%	PlatSearch 20%
Tottington	EL 6956	80%	PlatSearch 20%
Wendoline	EL 6957	80%	PlatSearch 20%
Shaun	EL 6958	80%	PlatSearch 20%
Wallace	EL 6959	80%	PlatSearch 20%
Gromit	EL 6960	80%	PlatSearch 20%
Gorgonzola	EL 7282	100%	-
Camembert	EL 7283	100%	-
Main Line Project Area			
Bimbella	EL 6671	80%	PlatSearch 20%
Euabalong	EL 6672	80%	PlatSearch 20%
McGraw	EL 6961	80%	PlatSearch 20%
Flamingo	EL 6952	80%	PlatSearch 20%
Preston	EL 6962	80%	PlatSearch 20%

EL = Exploration Licence

ELA = Exploration Licence Application

* Eastern Iron can earn 85%