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12 March 2010

Companies Announcements Office
Australian Securities Exchange

ISSUE OF OPTIONS

Attached is an Appendix 3B for the issue of options under the Company's ESOP to Greg De Ross, Eastern Iron's CEO. The Company has issued 1,200,000 options, for no cash consideration, with an exercise price of 18 cents and an expiry date of 9 March 2015.

Secondary Trading Exemption
The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, a sale of the Securities noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

a) the Company issued the Securities without disclosure to investors under Part 6D.2 of Act;
b) as at 12 March 2010 the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
c) as at 12 March 2010 there is no information:
    i. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
    ii. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
        a. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
        b. the rights and liabilities attaching to the Securities.

Eastern Iron Limited

Michelle Lilley
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Eastern Iron Limited

ABN

70 126 678 037

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1,200,000 options
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	The options are issued under ESOP for nil consideration with an exercise price of 18 cents and expiry date of 9 March 2015

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No these are not quoted options and have different terms (exercise price and expiry date) from the existing non quoted options.
5	Issue price or consideration	Option consideration nil and exercise price is 18 cents
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	As detailed in the attached announcement
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	9 March 2010

8 Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
26,000,450	Fully paid ordinary shares
23,000,011	Options, exercise price 12 cents, expiry 19 December 2010

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	19,999,550	Ordinary shares – escrowed until 16 May 2010
		120,000	Options, exercise price 25 cents, expiry 19 December 2010
		4,150,000	Options, exercise price 25 cents, expiry 19 December 2010, escrowed until 16 May 2010
		5,000,000	Options, exercise price 35 cents, expiry 19 December 2012, escrowed until 16 May 2010
		1,200,000	Options, exercise price 18 cents, expiry 9 March 2015

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Options have no entitlement to any future dividends until exercised

Part 2 - Bonus issue or pro rata issue

Questions 11-33	Not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) [√] Securities described in Part 1

(b) [ ] All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

+ See chapter 19 for defined terms.

35	☐	If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
36	☐	If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories 1 - 1,000 1,001 - 5,000 5,001 - 10,000 10,001 - 100,000 100,001 and over
37	☐	A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

Questions 38 to 42	Not applicable

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .... Date: 12 March 2010
(~~Director~~/Company secretary)

Print name: **Michelle Lilley**

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