

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")

30 September 2010

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

	Current quarter 30 Sept 2010 \$A'000	Year to date (3 months) 30 Sept 2010 \$A'000
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for (a) exploration and evaluation	(310)	(310)
(b) development	0	0
(c) production	0	0
(d) administration	(160)	(160)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	35	35
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid	0	0
1.7 Other - rental income	0	0
Net Operating Cash Flows	(435)	(435)
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	(1)	(1)
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	(1)	(1)
1.13 Total operating and investing cash flows (carried forward)	(436)	(436)

	Current quarter \$A'000	Year to date \$A'000
1.13 Total operating and investing cash flows (brought forward)	(436)	(436)
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	(436)	(436)
1.20 Cash at beginning of quarter/year to date	2,680	2,680
1.21 Exchange rate adjustments to item 1.20	0	0
1.22 Cash at end of quarter	2,244	2,244

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	143
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	524
4.2 Development	0
4.3 Production	0
4.4 Administration	205
Total	729

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	64	58
5.2 Deposits at call	21	0
5.3 Bank overdraft	0	0
5.4 Other - bills receivable, bank accepted and short term bank deposits	2,159	2,622
Total: cash at end of quarter (item 1.22)	2,244	2,680

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	Auburn EPM 18566 Fairhill EPC 2175 Rolleston EPC 2206	EPM granted EPC application EPC application	0% 0% 0%	100% 100% 100%

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	48,711,878	48,711,878		
7.4 Changes during quarter				
(a) Increases through issues	26,878	26,878	12	12
(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	4,270,000	0	\$0.25	19 Dec 2010
EFE 35 cents	5,000,000	0	\$0.35	19 Dec 2012
EFEO 12 cents	20,288,133	20,288,133	\$0.12	19 Dec 2010
EFE 18 cents	1,200,000	0	\$0.18	9 Mar 2015
EFE 20 cents	150,000	0	\$0.20	23 Nov 2013
7.8 Issued during quarter				
7.9 Exercised during quarter	26,878			
7.10 Expired during quarter	Nil			
7.11 Debentures (totals only)	Nil			
7.12 Unsecured notes (totals only)	Nil			

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: 29 October 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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EL	=	Exploration Licence	ELA	=	Exploration Licence Application
EPM	=	Exploration Permit for Minerals	EPC	=	Exploration Permit for Coal

1. Eastern Iron can earn 100%.
2. Joint Venture with Rugby Mining Pty Ltd and Rugby Mining Limited whereby Eastern can earn up to an 80% interest.