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Outstanding Metallurgical Results from Nowa Nowa

- Preliminary metallurgical testwork on samples from the Nowa Nowa Iron Project has produced outstanding results indicating potential for DSO production and low cost beneficiation for a high value iron product.
- DSO potential is indicated by assays of composite samples averaging 59.2% Fe, 8.5% SiO₂ and 1.43% Al₂O₃.
- Low cost beneficiation (dry LIMS) after crushing to -6.3mm gave a product averaging 61.6% Fe at mass recovery of 68%.
- DTR analysis at a relatively coarse grind of 80% passing 250 micron produced a high quality, potentially sinter, feed averaging 68% Fe, 3.2% SiO₂, 0.35% Al₂O.
- Planning is underway for a scoping study for the Nowa Nowa project which will include drilling to expand the current resource base and collect core samples for further metallurgical testing.

The results from a preliminary metallurgical test work program using samples from the Nowa Nowa iron project have been outstanding and indicate the potential for production of DSO from the upper magnetite rich part of the mineralisation with upgrading by dry LIMS of lower grade material.

Drill core samples collected by Eastern Iron from a diamond core hole drilled by a previous explorer at the Five Mile iron project at Nowa Nowa have been submitted for preliminary metallurgical analysis consisting of analysis of head samples, crushing and grinding at various sizings, dry low intensity magnetic separation (LIMS), Davis Tube Recovery (DTR) and quantitative electron microscopy (QEMSCAN). The work was carried out by ALS AMMTEC and supervised by Resource Engineering Pty Ltd. The object of this limited program has been to determine product characteristics for a potential mining development at Nowa Nowa.

Fresh unoxidised composite half core samples were taken from drillhole NND08002 which intersected a continuously mineralised interval from 45.8m to 113.5m (62.9m) and averaged 51% Fe. Samples taken from this core were as follows:

Sample ID	Drillhole Number	From (m)	To (m)	Interval (m)
Upper Composite	NND08002	61	65	4
Middle Composite	NND08002	91	93	2
Lower Composite	NND08002	104	107	3



Metallurgical Results

Head assay results from the three composite samples were as follows:

	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)
Upper Composite	62.3	6.75	0.9	0.010	0.540
Middle Composite	55.4	10.6	2.28	0.013	0.800
Lower Composite	60.0	8.24	1.11	0.008	2.560

The results show that a substantial proportion of the mineralisation has a high Fe content and could be classified as direct shipping (DSO).

The three samples were crushed to -6.3mm and separated by dry LIMS into a magnetic and non-magnetic product. Assay results and mass recoveries for the magnetic products from each sample are summarized in the table below:

Analysis of -6.3mm Dry LIMS product

	LIMS -6.33mm	Wt. (%)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)
Upper Comp	LIMS Mags	99.7	61.90	6.70	0.92	0.009	0.620
Middle Comp	LIMS Mags	35.5	58.90	9.31	1.34	0.007	0.410
Lower Comp	LIMS Mags	69.10	64.00	6.30	0.77	0.007	0.610

Although dry LIMS separation would be more applicable to lower grade material in the deposit the results do suggest that the ore is highly amenable to this low cost beneficiation process producing a +61%Fe product at an average weight recovery of 68%.

Samples from the three composite samples were also tested by Davis Tube (DTR) analysis at grind sizes of 80% passing 250, 106, 75, 53, and 38 micron. The results from the coarser grinds are summarized below:

Analysis of DTR magnetite concentrates at 250 micron grind

DTR Concentrate		Wt. (%)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)
Upper Composite	250 micron	86.1	67.50	3.63	0.40	0.006	0.150
Middle Composite	250 micron	15.5	67.60	3.30	0.35	0.003	0.092
Lower Composite	250 micron	44.2	68.70	2.82	0.30	0.003	0.084

Forward Program

Planning is underway for a scoping study into a potential mining development at Nowa Nowa. The scoping study will produce capital and operating cost estimates and include drilling to test for additional resource potential and obtain core samples for further more quantitative metallurgical testwork.

About Nowa Nowa

The Nowa Nowa project area owned 100% by Eastern Iron is located north of the township of Nowa Nowa in eastern Victoria, which is in turn 270km east of Melbourne. The project area is well serviced with respect to infrastructure including rail, sealed highways and several port options which are being investigated to determine the most appropriate export point.

Eastern Iron is investigating the potential to develop the iron deposits at Nowa Nowa primarily as a source of feed for steel making operations. The deposits lend themselves to a number of potential development routes including DSO magnetite where untreated ore is exported with possibly further processing closer to the end user. Other possibilities include coarse crushing and dry magnetic separation at site to produce an upgraded product; or finer grinding to produce a high iron product suitable as a blast furnace feed or with finer grinding product suitable for coal washing applications.



Location of Nowa Nowa Iron Project and infrastructure

Investor Information

Further information, previous Eastern Iron announcements and exploration updates are available at the News and Reports tab on the Company's website – www.easterniron.com.au



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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Greg De Ross, BSc, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Greg De Ross is CEO and a full-time employee of Eastern Iron 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". Greg De Ross consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.