

EASTERN IRON LIMITED

ABN 70 126 678 037

HALF YEAR FINANCIAL REPORT 31 DECEMBER 2018

Directors' Report

Your directors submit their report for Eastern Iron Limited for the half year ended 31 December 2018.

Directors

The names of the Company's directors in office during the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Eddie King	Non-Executive Chairman
Myles Fang	Non-Executive Director (Resigned as Executive Director and Acting CEO and appointed as Non-Executive Director on 15 October 2018)
Therese Taylor	Non-Executive Director
Nathan Taylor (alternate Therese Taylor)	Non-Executive Director

Review and results of operations

Financial results

The net results of operations after applicable income tax expense for the half year was a loss of \$302,378 (2017: \$304,516) which includes exploration expenditure write off during the period of \$62,869 (2017: \$12,882).

Highlights

Eastern Iron Ltd (Eastern Iron) extended the binding Heads of Agreement for acquisition of a high grade cobalt sulphide project in Poland to 28 December 2018. A deed of variation extending this date has been drafted and is being considered by the Board.

Eastern Iron entered into a Call Option Agreement with Heavy Metal Exploration Pty Ltd (Heavy Metal) to acquire a copper cobalt sulphide project in Queensland on 28 August 2018. On 23 November 2018 Eastern Iron terminated the Call Option Agreement as a consequence of Heavy Metal failing to obtain the necessary approvals for the grant of all of the tenements by the agreed date in the Agreement.

Polish Cobalt Project

The Company has negotiated an extension of the binding Option Agreement to acquire 100% of the issued capital of Ion Mining. The Company has entered into a Deed of Variation to the Heads of Agreement dated 22 December 2017. Under the terms of the Deed of Variation, the Company's exclusive option to acquire Ion Mining has been extended to the earlier of 28 December 2018 and that date which is 30 days from the date Ion Mining provides written confirmation and relevant verification documents to EFE (if requested) that the Polish Ministry of Environment has granted the Przeczница concession to Ion Mining (**Tenement Grant Date**). The satisfaction date for the conditions precedent has also been extended to 28 December 2018, and EFE's right to conduct due diligence in relation to Ion and its business, assets, and operations has been extended to the Tenement Grant Date.

The progress of Ion Mining's application has taken considerably longer than originally anticipated. This has been partly due to the fact that Ion Mining is the first company in Poland to apply for an exploration concession for cobalt. In April, the Polish Ministry of Environment (**MoE**) referred the Przeczница application and proposed Work Program to a panel of independent geological advisors *Komisja Zasobów Kopalni (Natural Reserves Commission) (KZK)* for comment. The KZK reviewed the Work Program and provided a number of technical comments and suggestions. In July 2018, Ion Mining submitted an expanded Work Program to address the comments and suggestions of the KZK. The expanded Work Program includes additional sampling, geophysics, mapping and drilling extending over a 3 year term. The Company is now awaiting formal confirmation from the KZK that it is satisfied with the expanded Work Program.

It is noted that the Przeczница concession has not yet been awarded and the application is currently pending. The vendor, Ion Mining Pty Ltd has 100% beneficial interest in the concession application but the final grant of the concession is subject to a decision of the Polish Ministry of Environment.

Directors' Report

Mt Cobalt Corridor Project

On 28 August 2018, the Company entered into a Call Option Agreement with Heavy Metal Exploration Pty Ltd ("Heavy Metal") ACN 163 155 913 to acquire an interest in the Mt Cobalt Corridor Project, located in the Selwyn-Mt Freda district, south of Cloncurry, NW Queensland (the "Project") (Figure 2).

The Project is located in NW Queensland and comprises 5 EPMA's which cover 161 sub-blocks, and hosts similar geology to historic producer of cobalt sulphide in Queensland.

EPM No.	Permit Name	Status	Applied For	No. Sub-blocks
26690	Burnham	Application	26-Oct-17	53
26715	Mt Carol	Application	27-Nov-17	8
26746	Mt Carol Extended	Application	2-Jan-18	9
26765	Mt Freda South	Application	29-Jan-18	51
26770	Selwyn Range	Application	2-Feb-18	40

The area lies within the largely Palaeo-Proterozoic Eastern Fold Belt of the Mt Isa block in NW Queensland. The area under application consists of outcrop from the Kuridala Formation which hosts a number of major deposits and mineral occurrences in the area, occurring to the west, south west and north west which include Starra (Cu,Au), Mt Dore (Cu,Au,Co), Merlin (Mo,Re), Mt Cobalt (Co,Cu,W), Swan (Cu,Au), Mt Elliott (Cu,Au) mines and The Plume (Cu,Au,Co). Dolerite is regarded as an important localiser of cobalt mineralisation at Mt Cobalt.

There are three main units in Mount Isa. These are the Western Fold Belt including Mt Isa, the Kalkadoon Leichhardt Belt and the Eastern Fold Belt that includes the three mines that produced cobalt, Mt Cobalt, Queen Sally and Success Mines. In the Eastern Fold Belt, cobalt is associated with copper. The Kuridala Formation, essentially consisting of Proterozoic metasediments such as schist, quartzite and dolerite/amphibolite conformable intrusives and its equivalent, the Soldiers Cap Group, is a major host-rock for cobalt in the area. Resources in the Eastern Fold Belt are large, particularly in the Cloncurry area, such as Las Minerale with 16,500t of cobalt, Greenmount with 11,000t of cobalt and Millennium with 4,298t cobalt. A cobalt source with high grade cobaltite ore, such as Mt Cobalt, would be the most economical resource to extract the cobalt from by flotation to produce a concentrate. Such a scenario could exist at The Plume and along the strike of the Mt Cobalt Corridor.

Previous works in the region were mainly for copper and gold. However, cobalt mineralization were identified and cobalt production of about 800 t at Mt Cobalt occurred in two periods 1919 to 1943 (778 t), 1996 to 1997 (21.5t). In 1957 drill holes intercepts included 4 holes had over 1% cobalt in the ore zone which was up to 80 cm wide. The deposit was drilled in the late 1990s but this information is not available. In the late 1990s an area south of Mt Cobalt was extensively drilled by previous explorers, as an aeromagnetic target called "The Plume". This area was in alignment with the Mt Cobalt trend. Drilling at The Plume revealed appreciable cobalt mineralisation in several holes. Hole PLRCD-13 which in the 34m (231 – 255m) at 0.11 g/t Au, 0.54% Cu and 0.14% Co included 1m from 243m at 0.29 g/t Au, 0.11% Cu and 1.92% Co.

The Mt Cobalt Corridor Project covers a diverse geology adjacent to and extending out from known copper & cobalt mineralisation, together with copper & cobalt anomalism noted within the tenements. Most of the areas of the Project are characterised by diverse Proterozoic geology of the Eastern Succession of the Mt Isa Block. Most of the country rock in the area is mapped as Kuridala Group or equivalents. The Kuridala Group equivalents are hosts for the bulk of the cobalt mineral occurrences in the region including Mt Cobalt, The Plume, Mt Dore, Mobs Lease, Kuridala and Young Australian. Another positive feature, in a similar fashion to Mt Cobalt, is that there is a prominent large dyke-like intrusion of dolerite within the equivalents of the Kuridala Group within most of the tenements. Dolerite is regarded as an important localiser of cobalt mineralisation at Mt Cobalt.

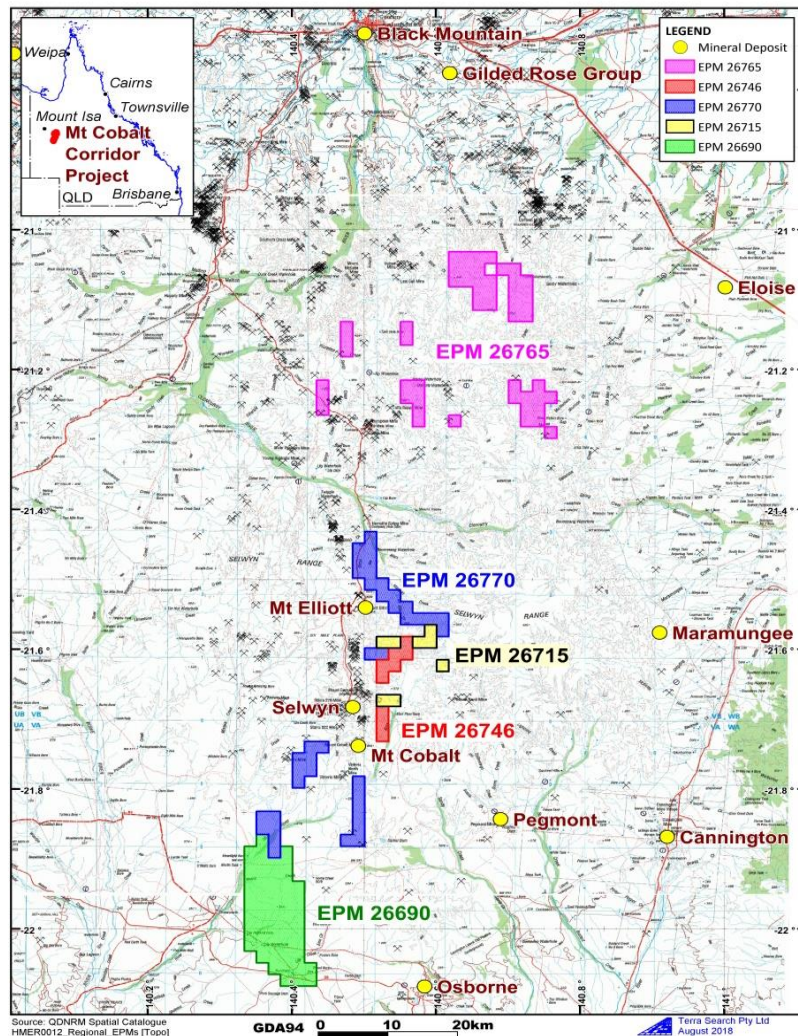


Figure 2: Mt Cobalt Corridor Project EPMAs coverage

Mt Freda South (EPMA26765) is approximately 60km south southwest of Cloncurry in northwest Queensland, extending north east from the historic copper mining centers of Kuridala and Mt Freda. The area consists of a diverse geology located in a north east trend extending from the copper gold historic producers of Kuridala to Mt Freda. Major structures transect the area, the most prominent is the NNW trending Cloncurry Fault which traverses through the north eastern sub blocks of the Mt Freda South EPMA. Copper-gold-cobalt anomalism occurs across the region. Historic data has identified rock chips samples in copper (up to 5.2%) and stream sediment samples anomalous in cobalt (>80ppm Co up to 300ppm Co); anomalous copper (up to 500ppm Cu in streams) and gold (>10ppb Au in streams).

The Selwyn Range application (EPMA26770) is approximately 120km south southwest of Cloncurry. The Mt Cobalt deposit occurs within 5km of the application area. The Selwyn Range EPMA is characterised by diverse Proterozoic geology of the Eastern Succession of the Mt Isa Block. The copper-cobalt trend of the Mt Cobalt Mine transects the sub-blocks of the EPMA. Most of the country rock in the area is mapped as Kuridala Group or equivalents which are hosts for the bulk of the cobalt mineral occurrences in the region.

The Mt Carol application (EPMA26715) and Mt Carol Extended application (EPMA26746) are approximately 100km south southwest of Cloncurry in northwest Queensland, a few km to the east of the Starra Mines. Mt Cobalt is less than 5km from Mt Carol Extended. The area has been mapped as Kuridala Group, the host geological unit for the bulk of the cobalt mineral occurrences, with high stream sediment cobalt geochemistry (80 - 300 ppm Co) occurring within and adjacent to the tenements. Prospective dolerite is a conspicuous unit within the Mt Carol Extended tenement.

Directors' Report

The Burnham application (EPMA26690) is approximately 140km south of Cloncurry. The project area contains buried aeromagnetic targets suspected of being Mid-Proterozoic Kuridala Formation and Staveley Formation; host rocks of the Starra copper-gold mines to the north; and the copper-cobalt trend of the Mt Cobalt Mine to the north northeast. These aeromagnetic 'highs' are also associated with the Osborne copper-gold/-cobalt Mine, only 20 kms to the southeast. The Plume Cu-Co prospect is approx. 5kms to the tenement. The area is highly prospective for copper, gold, cobalt and possibly molybdenum/rhenium mineralization as this type of mineralization has been discovered and mined in rocks to the north northeast (Starra, Mt Cobalt, Merlin, Mt Dore); as well as Osborne Mine to the southeast.

On 28 August 2018, the Company entered into a Call Option Agreement to acquire a 25% interest in the Project (which includes EPMA 26690, EPMA 26715, EPMA 26746, EPMA 26765 and EPMA 26770 ("Tenements") and all environmental approvals, authorisations, mining information, plant and equipment and other assets relating to the Tenements) owned by Heavy Metal. The Call Option Agreement also contemplates the Company eventually acquiring a 100% interest in the Project, through meeting staged expenditure requirements under a Farm-In Agreement and paying a royalty payment under a Royalty Deed to be entered into by the Company and Heavy Metal in relation to the Project.

The Call Option Agreement contains the following key terms:

The Company must pay Heavy Metal a call option fee of AUD\$10,000 (excluding GST) ("**Call Option Fee**") by no later than 11 September 2018 to have an exclusive call option to acquire a 25% interest in the Project ("**Call Option**").

If the Company elects to exercise the Call Option, the sale of the 25% interest in the Project is conditional on satisfaction of the following two conditions:

- the Minister of the Department of Natural Resources and Mines in Queensland giving indicative approval for the transfer of a 25% interest in the Tenements to the Company on terms acceptable to the Company ("**Indicative Approval**"); and
- the Farm-In Agreement and NSR Royalty Deed being in agreed form.

Within 10 business days after the date of receipt of Indicative Approval ("Indicative Approval Date"), as consideration for the acquisition of a 25% interest in the Project, the Company must:

- pay Heavy Metal the amount that is equal to AUD\$150,000 (excluding GST) less the Call Option Fee ("**Initial Acquisition Cash Payment**"); and
- subject to shareholder and any other approvals required under the *Corporations Act 2001* (Cth) and the ASX Listing Rules, issue AUD\$200,000 worth of fully paid ordinary shares in the Company ("**Shares**") of which the issue price is to be calculated on the basis of 20-day VWAP prior to the Indicative Approval Date.

Within 30 days after the Indicative Approval Date, the Company and Heavy Metal must negotiate the Farm-In Agreement which is expected to include the following key commercial terms:

- Stage 1: the Company must spend a total of AUD\$650,000 on the Project within the first 24 months of the commencement of the Farm-In Agreement ("Stage 1 Period") in order to acquire an additional 35% interest in the Project.
- Stage 2: the Company must spend an additional AUD\$1,500,000 on the Project within a period of 36 months commencing on the expiry date of the Stage 1 Period in order to acquire an additional 40% interest in the Project.

Within 30 days after the Indicative Approval Date, the Company and Heavy Metal must also negotiate the Royalty Deed which is expected to include the following key commercial terms:

- The Company agrees to pay a royalty payment to Heavy Metal equivalent to the value of 0.5% of net smelter return on copper equivalent metal production capped at 30,000 tonnes of copper equivalent metal produced from the Tenements.
- The Company is not required to make the royalty payment when copper prices or the price of saleable copper equivalent metal products are at or below USD\$6,000 per tonne.
- The Company has the right to buy back the royalty from Heavy Metal for AUD\$1,500,000.

The Call Option Agreement provides that completion of the Company's acquisition of a 25% interest in the Project ("**Completion**") is expected to take place on the date that is 30 days after the Indicative Approval Date (or such other date as agreed by the Company and Heavy Metal in writing).

On 23 November 2018 Eastern Iron terminated the Call Option Agreement as a consequence of Heavy Metal failing to obtain the necessary approvals for the grant of all of the tenements by the agreed date in the Agreement.

Directors' Report

New Projects Search and Acquisition

Eastern Iron has been actively reviewing opportunities during the year to acquire an exploration and advanced exploration project for base or precious metals.

Nowa Nowa Project

The decline in the iron ore price over the last few years has rendered the economics of the project problematic. Eastern Iron applied for a retention licence over its Nowa Nowa Iron Project. However, Eastern Iron will continue to monitor conditions in the global iron ore market to determine when work on the project should recommence.

No exploration work was carried out on Nowa Nowa Copper project

Principal activities

The principal activity of the Group is the exploration for and delineation of iron ore, precious and base metals resources and the development of those resources into economic, cash flow generating mines.

Dividends

No dividends were paid or proposed during the period.

Significant events after the balance date

There were, at the date of this report, no matters or circumstances which have arisen since 31 December 2018 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years other than already detailed in the report.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration to the Directors as required under section 307C of the *Corporations Act 2001* is set out on page 15.

Signed at Sydney this 8th day of March 2019 in accordance with a resolution of the directors.



Eddie King
Chairman

Consolidated Statement of Comprehensive Income

For the half year ended 31 December 2018

		31 Dec 2018	31 Dec 2017
	Note	\$	\$
Revenue	4	6,835	9,674
ASX and ASIC fees		(20,520)	(18,441)
Audit fee		(10,000)	(10,000)
Contract administration services		(53,790)	(159,179)
Directors fees		(125,000)	(117,000)
Exploration expenditure written off		(62,869)	(12,882)
Insurance		(10,980)	(9,320)
Rent		(3,418)	(2,400)
Share based payments		-	(98,051)
Other expenses from ordinary activities		(22,636)	(15,473)
Loss before income tax expense		(302,378)	(433,072)
Income tax income/(expense)		-	128,556
Loss after income tax expense		(302,378)	(304,516)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		-	-
Total comprehensive income for the period attributable to members of Eastern Iron Limited		(302,378)	(304,516)
Earnings per share			
Basic loss per share (cents per share)	8	(0.07)	(0.09)
Diluted loss per share (cents per share)	8	(0.07)	(0.09)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2018

	Note	31 Dec 2018 \$	30 Jun 2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	727,349	1,027,460
Receivables		9,244	21,815
Tenement security deposits	7	10,000	10,000
Investment		120,000	120,000
Total current assets		866,593	1,179,275
Non-current assets			
Plant and equipment		5,133	6,502
Deferred exploration and evaluation expenditure	6	3,100,190	3,097,043
Total non-current assets		3,105,323	3,103,545
Total assets		3,971,916	4,282,820
LIABILITIES			
Current liabilities			
Trade and other payables		56,921	80,549
Total current liabilities		56,921	80,549
Non-current liabilities			
Provisions		-	-
Total non-current liabilities		-	-
Total liabilities		56,921	80,549
Net assets		3,914,995	4,202,271
EQUITY			
Contributed equity	9	15,037,353	15,022,251
Accumulated losses		(11,245,867)	(10,943,489)
Reserves	10	123,509	123,509
Total equity		3,914,995	4,202,271

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2018

	Note	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
At 1 July 2017		14,626,862	(10,361,421)	4,052	4,269,493
Loss for the period		-	(304,516)	-	(304,516)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		-	(304,516)	-	(304,516)
Transactions with owners in their capacity as owners:					
Issue of share capital, net of transaction costs		528,275	-	-	528,275
Tax effect on share issue costs		(128,556)	-	-	(128,556)
Issue of unlisted options		-	-	123,509	123,509
Expired option value transferred to Accumulated Losses		-	4,052	(4,052)	-
At 31 December 2017		15,026,581	(10,661,885)	123,509	4,488,205

	Note	Contributed equity \$	Accumulated losses \$	Reserves \$	Total equity \$
At 1 July 2018		15,022,251	(10,943,489)	123,509	4,202,271
Loss for the period		-	(302,378)	-	(302,378)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		-	(302,378)	-	(302,378)
Transactions with owners in their capacity as owners:					
Issue of share capital, net of transaction costs		15,102	-	-	15,102
At 31 December 2018		15,037,353	(11,245,867)	123,509	3,914,995

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2018

	Note	31 Dec 2018 \$	31 Dec 2017 \$
Cash flows from operating activities			
Payment to suppliers and employees		(254,952)	(268,647)
Interest received		6,765	10,027
Net cash flows (used in) operating activities		(248,187)	(258,620)
Cash flows from investing activities			
Expenditure on mining interests (exploration)		(52,472)	(42,636)
Purchase of plant and equipment		-	(2,972)
Investments		548	-
Net cash flows (used in) investing activities		(51,924)	(45,608)
Cash flows from financing activities			
Proceeds from issue of shares		-	611,905
Share issue costs		-	(40,173)
Net cash flows (used in) from financing activities		-	571,732
Net increase (decrease) in cash held		(300,111)	267,504
Add opening cash brought forward		1,027,460	1,299,336
Closing cash carried forward	5	727,349	1,566,840

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2018

1. Corporate information

The financial report of Eastern Iron Limited (the Company) for the half year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 08 March 2019. Eastern Iron Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange using the ASX code EFE.

The nature of the operations and principal activities of the Company are described in the Directors Report.

2. Summary of significant accounting policies

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of Eastern Iron as at 30 June 2018.

It is also recommended that the half year financial report be considered together with any public announcements made by Eastern Iron during the half year ended 31 December 2018 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Basis of preparation

The half year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards, including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements. The half year financial report has been prepared on a historical cost basis.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete report period.

Significant accounting policies

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2018.

Management has reviewed and assessed the new accounting standards effective 1 July 2018 and these have been deemed to be not applicable to the Group.

Fair value measurement

The carrying amounts of the Group's assets and liabilities are a reasonable approximation of their fair values. The only exception to this is the carrying amount of deferred exploration and evaluation expenditure which is estimated to be not in excess of its fair value.

Basis of consolidation

The half year consolidated financial statements comprise the financial statements of Eastern Iron Limited and its subsidiaries (the Group). The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. The subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Going concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Directors believe that the Company will have sufficient working capital to meet its minimum project development and administrative expenses in the next twelve months following the date of signing of the financial report.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2018

3. Financial report by segment

The operating segment identified by management is as follows:

Exploration projects funded directly by Eastern Iron Limited ("Exploration")

Regarding the Exploration segment, the Chief Operating Decision Maker (the Board of directors) receives information on the exploration expenditure incurred. This information is disclosed in Note 6 of the half year financial report. No segment revenues are disclosed as each exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off which is disclosed in Note 6 of the half year financial report.

Financial information about each of these tenements is reported to the Board on an ongoing basis.

Corporate office activities are not allocated to operating segments as they are not considered part of the core operations of any segment and comprise of the following:

- ▶ Interest revenue
- ▶ Corporate costs
- ▶ Depreciation and amortisation of non-project specific property, plant and equipment

The Group's accounting policy for reporting segments is consistent with that disclosed in Note 2.

4. Revenue

	31 Dec 2018 \$	31 Dec 2017 \$
Interest received	6,835	9,674
	6,835	9,674

5. Cash and cash equivalents

	31 Dec 2018 \$	30 Jun 2018 \$
Cash at bank	93,949	94,987
Money market securities – bank deposits	633,400	932,473
	727,349	1,027,460

6. Deferred exploration and evaluation expenditure

	31 Dec 2018 \$	30 Jun 2018 \$
Costs brought forward	3,097,043	3,000,000
Costs incurred during the period	66,016	117,038
Expenditure written off during the period	(62,869)	(19,995)
Costs carried forward	3,100,190	3,097,043

7. Contingent assets and liabilities

The Company has provided a guarantee totalling \$10,000 (30 June 2018: \$10,000) in respect of an exploration tenement in Victoria. This guarantee in respect of exploration tenements is secured against a deposit with a banking institution. The Company does not expect to incur any material liability in respect of the guarantees.

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2018

8. Earnings per share

	31 Dec 2018	31 Dec 2017
	\$	\$
Net profit/(loss) used in calculating basic and diluted gain/(loss) per share	(302,378)	(304,516)
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	411,151,409	357,795,353
	Cents per share	Cents per share
Basic earnings (loss) per share	(0.07)	(0.09)
Diluted earnings (loss) per share	(0.07)	(0.09)

9. Contributed equity

	31 Dec 2018	30 Jun 2018
	\$	\$
Share capital		
411,900,378 fully paid ordinary shares (30 June 2018: 410,012,566)	15,843,203	15,828,101
Fully paid ordinary shares carry one vote per share and carry the right to dividends.		
Share issue costs	(805,850)	(805,850)
	15,037,353	15,022,251

	Number	\$
Movements in ordinary shares on issue		
At 31 December 2017	410,012,566	15,828,101
Shares issued	-	-
At 30 June 2018	410,012,566	15,828,251
Shares issued*	1,887,812	15,102
At 31 December 2018	411,900,378	15,843,203

*Issued of 1,887,812 shares at \$0.008 each to a creditor in settlement for services provided.

10. Options

Unlisted	Number of Options	Exercise Price	Expiry Date
At 31 December 2017	34,541,702	\$0.010	06 December 2019
Option issued	-	-	-
Option expired	-	-	-
At 30 June 2018	34,541,702	\$0.010	06 December 2019
Option issued	-	-	-
Option expired	-	-	-
At 31 December 2018	34,541,702	\$0.010	06 December 2019

Notes to the Consolidated Financial Statements

For the half year ended 31 December 2018

Reserves (share based payments)

Movements in share based payments

At 31 December 2017

Options issued

Options expired

At 30 June 2018

Options issued

Options expired

At 31 December 2018

Number	\$
20,000,000	123,509
-	-
-	-
20,000,000	123,509
-	-
-	-
20,000,000	123,509

11. Events after the balance sheet date

There were, at the date of this report, no matters or circumstances which have arisen since 31 December 2018 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years other than already detailed in the report.

Directors' Declaration

In accordance with a resolution of the directors of Eastern Iron Limited, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half year ended on that date; and
 - (ii) Complying with Australian Accounting Standards AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Eddie King
Chairman

Sydney, 08 March 2019

Independent Auditor's Review Report



partners

A J Dowell CA
M Galouzis CA
A N Fraser CA
G W Cliffe CA
B Kolevski CPA (Affiliate ICAA)

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Independent Auditor's Review Report

To the members of Eastern Iron Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eastern Iron Limited and controlled entities (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Eastern Iron Limited (the company) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Eastern Iron Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Please refer to the website for our standard terms of engagement.



Independent Auditor's Review Report

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Eastern Iron Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Eastern Iron Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

BDJ Partners
Chartered Accountants



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Anthony J Dowell
Partner

8 March 2019

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Auditor's Independence Declaration



CHARTERED ACCOUNTANTS

partners

A J Dowell CA
M Galouzis CA
A N Fraser CA
G W Cliffe CA
B Kolevski CPA (Affiliate ICAA)

associate

M A Nakkan CA

consultant

C H Barnes FCA

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Eastern Iron Limited and Controlled Entities

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2018 there have been:

- a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

BDJ Partners
Chartered Accountants

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Anthony J Dowell
Partner

7 March 2019

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Corporate Directory

Eastern Iron Limited

ABN 70 126 678 037

Directors

Eddie King	Non-Executive Chairman
Myles Fang	Non-Executive Director
Therese Taylor	Non-Executive Director
Nathan Taylor	(alternate Therese Taylor)

Company Secretary

Ian White
Duncan Glasgow (resigned on 21 Nov 2018)

Registered and Administration Office

Level 1, 80 Chandos Street
St Leonards, NSW 2065
PO Box 956, Crows Nest, NSW 1585
Telephone: 02 9906 7551
Website: www.easterniron.com.au
E-mail: info@easterniron.com.au

Share Registry

Boardroom Pty Limited
GPO Box 3993
Sydney, NSW 2001
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
Website: www.boardroomlimited.com.au

Auditors

BDJ Partners

Bankers

Commonwealth Bank of Australia
Bank West
Macquarie Bank

Stock Exchange Listing

Listed on Australian Securities Exchange Limited
ASX Code: EFE