

ASX: EMS

ACN 643 902 943

**CAPITAL STRUCTURE ON
IPO**

Share Price: A\$0.20

Cash: A\$6.0M

Debt: Nil

Ordinary Shares: 54.5M

Market Cap: A\$10.9M

Enterprise Value: A\$4.9M

Options: 24.2M (3years/30c)

BOARD OF DIRECTORS**Robert Duffin**

Non-Executive Chairman

Wayne Rossiter

Managing Director & CEO

Cathy Moises

Deputy Chair & Lead

Independent Non-Executive
Director**Dr Jason Berton**Independent Non-Executive
Director**COMPANY SECRETARY**

Ian Morgan

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30 SEPTEMBER 2021 QUARTERLY REPORT

Key Highlights

- Eastern Metals has successfully listed on the ASX, having raised \$6m through a fully subscribed IPO that closed on 21 September
- 30 million shares have been issued at \$0.20 per share under the IPO, bringing the Company's market capitalisation to \$10.9m at the offer price
- In addition, 10 million unlisted three-year options, with a strike price of \$0.30, have been issued to successful IPO subscribers
- The Company is developing advanced copper-gold and zinc-silver-lead exploration projects with additional nickel and lithium potential
- Eastern Metals' portfolio consists of three projects in highly prospective NT and NSW mineral provinces that contain walk up drilling targets
- Two of its projects are classified as Advanced Exploration Projects under the Valmin Code
- The Home of Bullion copper-gold deposit, Arunta Project, Northern Territory
- The Browns Reef zinc-silver-lead deposit, Cobar Project, New South Wales
- Eastern Metals' core team has a proven track record of identifying and acquiring Advanced Exploration Projects and taking them through the resource expansion, approvals, permitting and feasibility study stages, and on to development and production

Eastern Metals Limited (ASX:EMS) ("**Eastern Metals**" or the "**Company**") is pleased to provide the following report on its activities for the quarter ending on 30 September 2021 (the "quarter").

Management Commentary

Eastern Metals Limited (ASX: EMS, 'Eastern Metals' or 'the Company') is pleased to announce that it commenced trading on the Australian Securities Exchange (**ASX**) on 25 October 2021 under the code **EMS**. The Company's Initial Public Offer (**IPO**) was fully subscribed and raised \$6m through the issue of 30 million shares at \$0.20 per share with an additional 10 million unlisted three-year options with an exercise price of \$0.30 issued on a 1 for 3 basis, giving the Company a market capitalisation of approximately \$10.9m at the offer price.

Managing Director and CEO, Wayne Rossiter said,

"Our successful admission to the ASX is a great result for the Eastern Metals team, which has spent several years seeking advanced mineral exploration assets with delineated resources or near resource status, to create what is our highly prospective portfolio of three Australian based projects which all contain walk up, drill ready targets.

I wish to thank all of our shareholders for supporting the Company thus far and for our lead manager, Panthea Capital for all of their diligent work throughout the IPO process. With the maximum of \$6m raised, we are now fully funded to carry out our exploration programs across our Arunta, Cobar and Thomson Projects and we look forward to keeping the market updated as we progress."

Eastern Metals' Portfolio

Eastern Metals is an Australian base and precious metals exploration company which owns three Projects in the Northern Territory and New South Wales. Each of these Projects consists of from one to three granted exploration licences.

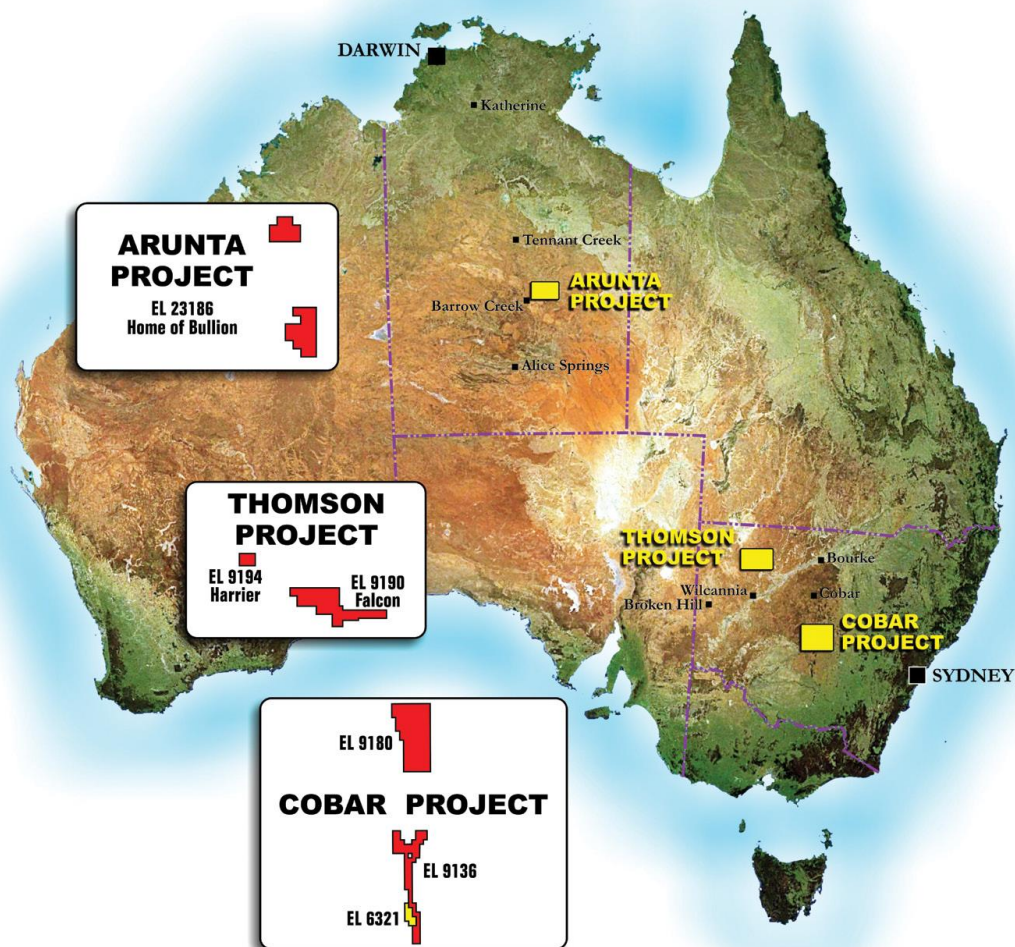
Eastern Metals' flagship assets, acquired from Kidman Resources (now owned by Wesfarmers), are the Home of Bullion deposit at Barrow Creek, part of the Arunta Project, which hosts a total **Identified Mineral Resource of 2.5 million tonnes averaging 1.8% copper, 2.0% zinc, 36g/t silver, 1.2% lead and 0.14g/t gold (2.8% Cu_{Equiv})**, and the Browns Reef zinc-silver-lead- deposit, part of the Cobar Project, which has an **Exploration Target of 27 to 37 million tonnes averaging between 1.3-1.4% zinc, 0.6- 0.7% lead, 9-10g/t silver and 0.2-0.3% copper.**

Portfolio Snapshot

Arunta Project:

- The Arunta Project area is situated to the east of the Stuart Highway between Alice Springs and Tennant Creek near the township of Barrow Creek
- Hosts a total Identified Mineral Resource at the Home of Bullion mine of 2.5 million tonnes averaging 1.8% copper, 2.0% zinc, 36g/t silver, 1.2% lead and 0.14g/t gold with excellent potential to expand the resource

- High grade copper and nickel intersected in drilling at Prospect D
- Prospective for lithium within the Barrow Creek pegmatite field



Location of Eastern Metals' Project Portfolio

Cobar Project:

- Browns Reef is a polymetallic deposit developed in the Preston Formation, a sedimentary sequence of Devonian age
- An Exploration Target of 27 to 37 million tonnes averaging between 1.3-1.4% zinc, 0.6- 0.7% lead, 9-10g/t silver and 0.2-0.3% copper has been reported from past work at Browns Reef
- High grade intersections have been identified within the Exploration Target envelope, and it is these higher-grade zones that will be the focus of the Company's initial drilling activities
- Potential to host one or more polymetallic deposits within the 16km of strike of the mineralised system

Thomson Project:

- Eastern Metals' third project, the Thomson Project, consists of two exploration licences, ELs 9194 Harrier and 9190 Falcon, approximately 250 kilometres northwest of Cobar
- The Company's targets within the Thomson Project tenements are copper-gold and lead-zinc-silver deposits similar to the Great Cobar and CSA copper-gold mines, and the Endeavor lead zinc mine

Financial Overview

The Company's cash balance as at 30 September 2021 was \$4,000, which increased during October 2021 with the Company's successful IPO raising \$6,000,000. The Company is well positioned to proceed with its exploration programme described in its Prospectus dated 18 August 2021.

Statement of Commitments

Use of Funds	Estimates (refer the Company's Prospectus dated 18 August 2021)	September 2021 Quarter ¹	Variance
	\$000	\$000	\$000
Exploration (2 years)	3,871	-	3,871
Operating expenses ²	1,091	-	1,091
Working capital	347	-	347
Costs of the Offer	691	-	691
Total Use of Funds	6,000	-	6,000

Eastern Metals Tenement Schedule as of 30 September 2021

Tenure	Location	Eastern Metals Interest (%)	Status
EL23186	Northern Territory	100%	Current
EL6321	New South Wales	100%	Current
EL9180	New South Wales	100%	Current
EL9136	New South Wales	100%	Current

¹ As the Company's IPO did not finalise until October 2021, the Company incurred no expenditure using \$6,000,000 raised under the IPO during the quarter ended 30 September 2021.

² This includes administration cost of running the business, including staff salaries and on-costs, rent and costs associated with services obtained by the Company. Certain staff salary costs will be costed directly to the Projects.

Tenure	Location	Eastern Metals Interest (%)	Status
EL9190	New South Wales	100%	Current
EL9194	New South Wales	100%	Current

EL23186 and EL6321 were acquired during the quarter pursuant to an Asset Sale Deed. Other than these there have been no mining exploration tenements acquired or disposed during the Quarter.

Exploration Expenditure Summary

During the quarter ended 30 September 2021, Eastern Metal's cash expenditure for exploration & evaluation totalled \$614,000³ and consisted of:

	Current Quarter	Year to Date (3 Months)
	\$000	\$000
Purchase mineral exploration licences and associated mining information	600	600
Stamp Duty	10	10
Legal fees	4	4
	614	614

Payments to related parties of the entity and their associates

There were no related party cash payments for the quarter ended 30 September 2021.⁴

Contacts

For more information or to arrange an interview, please contact:

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Managing Director & CEO

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³ Refer Item 2.1(d) of Eastern Metals' Appendix 5B Mining exploration entity or oil and gas exploration entity quarterly cash flow report to 30 September 2021.

⁴ Refer Item 6.1 of Eastern Metals' Appendix 5B Mining exploration entity or oil and gas exploration entity quarterly cash flow report to 30 September 2021.

Authorisation for this Announcement

This announcement has been authorised for release by the Company's Disclosure Officers in accordance with its Disclosure and Communications Policy which is available on the Company's website, www.easternmetals.com.au.

Previously Reported Information

The information in this report that references previously reported Exploration Results, Mineral Resources or Ore Reserves is extracted from the Company's Prospectus released on 18 August 2021 (ASX: EMS 22/10/2021). The Prospectus is available to view on the Company's website or on the ASX website (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned activities, including mining and exploration programs, and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. In addition, summaries of Exploration Results and estimates of Mineral Resources and Ore Reserves could also be forward looking statements. Although Eastern Metals believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Person's Statement

The information in this Presentation that relates to Exploration Results, Mineral Resources or Ore Reserves (as those terms are used and defined in the JORC Code), except where otherwise noted, is based on information compiled by Mr Gary Jones who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Jones is a full-time employee of Geonz Associates, Consultant Geologists, a former director of Eastern Metals, and Principal Consultant – Geology to the Company. Mr Jones 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 JORC Code. Mr Jones consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity or oil and gas exploration entity
quarterly cash flow report

Name of entity

EASTERN METALS LIMITED (Company)

Quarter ended ("current quarter")

ABN 29 643 902 943**30 SEPTEMBER 2021**

Consolidated statement of cash flows	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(150)	(150)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(150)	(150)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(10)	(10)
(c) property, plant and equipment	-	-
(d) exploration & evaluation ¹	(674)	(674)
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(684)	(684)

1

2.1 (d) exploration & evaluation

Purchase mineral exploration licences and associated mining information

Stamp Duty

Legal fees

(600)	(600)
(10)	(10)
(4)	(4)
(674)	(674)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	500	500
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(42)	(42)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	458	458
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	380	380
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(150)	(150)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(684)	(684)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	458	458
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	4	4

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	4	380
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4	380

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	-
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Not applicable		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(150)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(674)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(824)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.005
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes On 18 August 2021, the Company issued a Prospectus for the offer (Offer) of a minimum of 22,500,000 Shares at an issue price of \$0.20 each to raise \$4,500,000 (Minimum Subscription) and a maximum of 30,000,000 Shares at an issue price of \$0.20 each to raise up to \$6,000,000 (Maximum Subscription). One free attaching option was offered to be issued for each three Shares issued. On 11 October 2021 the Company successfully raised the Maximum Subscription of \$6,000,000 before transaction costs. The Australian Securities Exchange (ASX) considered the Company's application and decided to admit the Company to the ASX's Official List (21 October 2021) and quoted its securities (25 October 2021). (ASX: EMS) All options outstanding expire three years from the date of the Company's successful ASX listing.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, based on the Company's successful capital raising and ASX listing.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021

Authorised by: Company's Disclosure Officers²
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

² In accordance with its Disclosure and Communications Policy which is available on the Company's website, www.easternmetals.com.au