

Annual Report 2022



ER EASTERN
RESOURCES LIMITED



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CHAIRMAN'S LETTER

Dear fellow Eastern Resources Shareholders

It gives me great pleasure to deliver this annual report for Eastern Resources (Eastern) shareholders in a year that has seen a number of significant, positive developments for the Company.

As the world changes, a clear march towards a more sustainable existence is increasingly demanded of governments, corporations, and individuals. This dynamic has seen an extraordinary increase in need for a suite of future facing, battery / EV metals such as lithium and cobalt. Based on this strategic assessment, the Board takes a view that Eastern should focus its exploration efforts on these metals, with lithium projects the centre of that focus.

A period of project assessment then followed, resulting in two cornerstone WA lithium project acquisitions, Trigg Hill in August 2021 and Taylor Lookout in February 2022. We feel that each of these projects have high potential for the discovery of economic lithium mineralisation and an active programme of exploration is underway at each. At the time of writing, drilling has commenced at Trigg Hill and reconnaissance exploration has begun at Taylor lookout; I look forward to sharing results from these exciting programmes as those results come to hand.

Your Board realised that effective project development is aided by the support of strong financial and joint venture partners. Joint ventures have been successfully negotiated with Yahua International Investment and Development (Yahua) in November 2021 and YongXing Special Materials Technology (YongXing) in February 2022 for discrete lithium mineralization styles (spodumene and lepidolite respectively). These joint ventures position Eastern with strong partners; each with particular interest and expertise in lithium and the ability to deliver bespoke development support and offtake arrangements.

I thank our joint venture partners Yahua and YongXing for their vision and look forward to the advancement of our respective joint ventures over time.

Capital raisings conducted by Eastern during the CY2022 have reflected the increased level of activity within the business and have been strongly supported by both our strategic investors (including Yahua, which subscribed for over \$1M in shares) and existing shareholders. On 30 June 2022, Eastern had ~\$4.5M cash at hand, positioning it extremely well to advance exploration on its projects and add value for all shareholders.

At the corporate level, significant change to the Board during FY2022 reflected the increase in exploration and corporate activity. I pass thanks to Therese Marie-Taylor, who resigned as a Director in September 2021, for her contribution to Eastern. I also welcome Jason Hou, who joined the Board on that date and Myles Fang, who moved to Executive Director in December 2021.

On behalf of the Eastern Board, I pass our thanks to all our stakeholders and shareholders for your support over FY2022. We look forward to sharing successes with you as we move forward and advance the interests of the company.

Ariel Edward King
Chairman

REVIEW OF OPERATIONS

HIGHLIGHTS

- HOA executed for acquisition of Trigg Hill Lithium Tantalum Project
- HOA executed to earn lithium rights in Taylor Lookout project
- Feasibility Study of Nowa Nowa Iron Project completed with positive outcomes
- EES Commencement
- Strategic Partnership with major Chinese lithium converters, Yahua and Yongxing to acquire and develop lithium projects.

LITHIUM PROJECT

Trigg Hill Lithium-Tantalum Project

In August 2021, the Company has entered into a binding Heads of Agreement (“HoA”) with Amery Holdings Pty Ltd (“Amery”) for an option to acquire a 100% interest in the Trigg Hill Lithium-Tantalum Project (“Trigg Hill”) (Refer to the Company Announcement dated 4 August 2021).

Trigg Hill is located in the Shaw River district, Pilbara, that is approx. 75km SE of Pilbara’s Minerals’ (ASX: PLS) wholly-owned Pilgangoora Lithium-Tantalum mine. The Project comprises 1 Exploration Licence Application (ELA 45/5728) which was granted in February 2022.

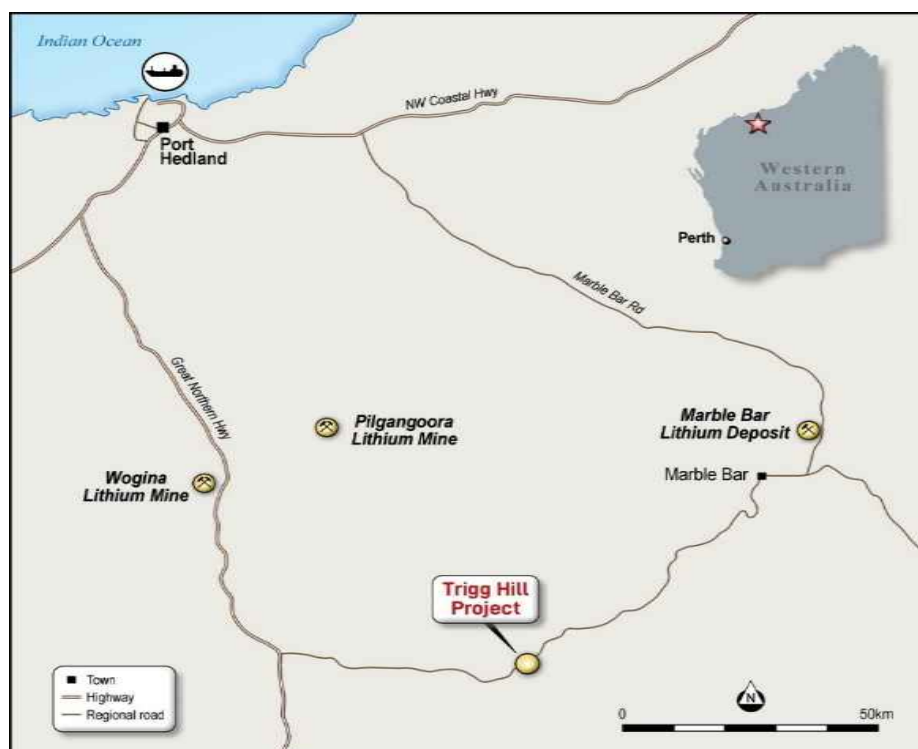


Figure 1: Location of Trigg Hill

Trigg Hill covers the entire Trigg Hill pegmatite swarm and the Curlew pegmatite swarm except for one excised mining lease (M 45/1267) totalling 0.22sq km, covering the Curlew emerald deposit.

The tantalum mineral formantite was first discovered at Trigg Hill in 1906. During the 1960s, 340kg of tin-tantalum concentrates were produced. Pilgan Mining Ltd exploited in a small-scale operation eluvial and alluvial material surrounding the Trigg Hill pegmatite from 1980-82.

REVIEW OF OPERATIONS

The Curlew emerald deposit (excised) was discovered prior to 1940 and was mined from 1976 to 1982 with variable success. Emeralds, beryl, scheelite and molybdenite are associated with a narrow LCT pegmatite vein. The more prospective pegmatites are the larger LCT pegmatites that surrounds the emerald mine. In 2018 limited sampling by Lithium Australia confirmed the presence of lepidolite with pegmatite rock chip samples up to 2.9% Li₂O. (Refer to the Company Announcement dated 4 August 2021).

There are hundreds of pegmatite outcrops within the greenstones within the Trigg Hill to Curlew greenstone area covering about 5km², most of these are small to medium in size however potential for larger LCT pegmatite bodies particularly in areas of folded or faulted greenstones such as at Trigg Hill and Curlew East. The pegmatites have potential for tantalum, REO, lithium and tin.

No drilling has been recorded on any of the Trigg Hill and Curlew pegmatites.

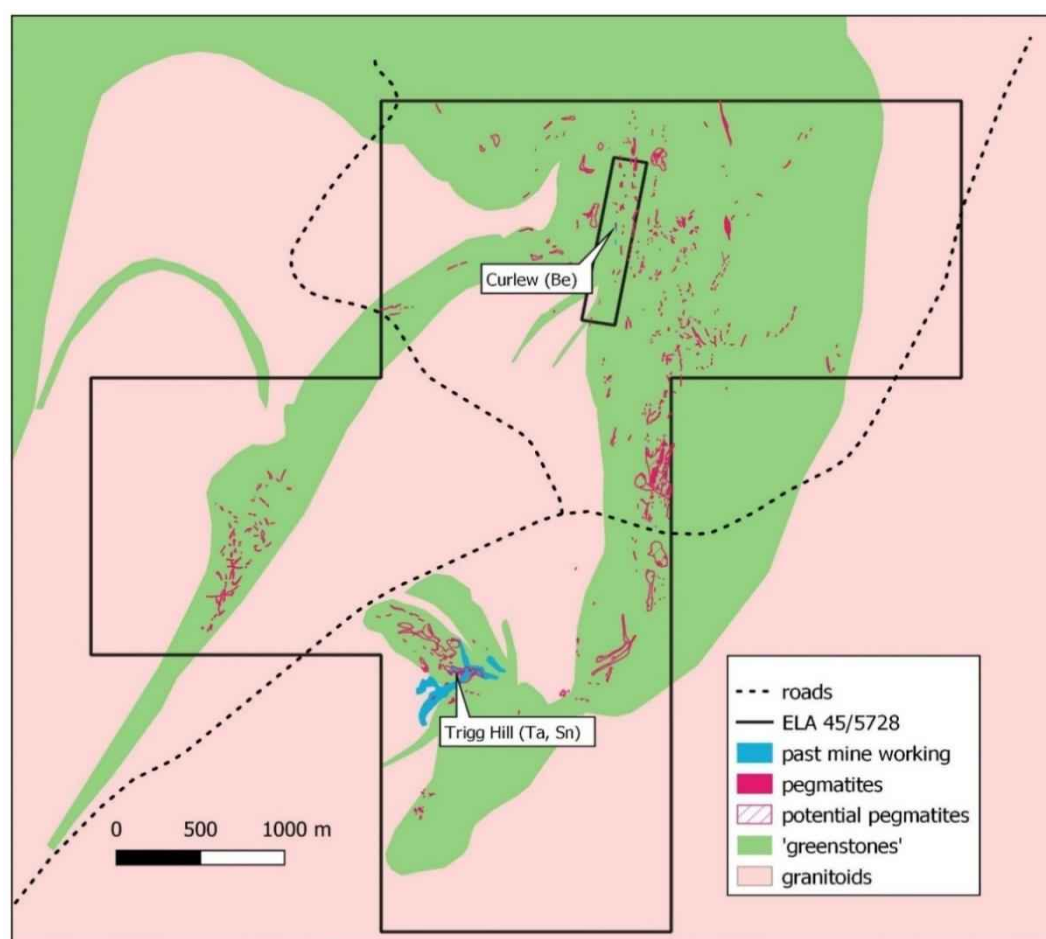


Figure 2: Simplified Geology with known and potential pegmatites

In February 2022, the Company completed due diligence on Trigg Hill and was satisfied with the results. The condition of the HoA was also waived. Subsequently, the Company paid the Cash Option Fee and Shares as required by the HoA, and accordingly the Option of acquisition of Trigg Hill was granted to the Company.

From March to May 2022, the Company conducted traverse mapping, rock chip and soil sampling on Trigg Hill. Terra Search, an experienced exploration contractor, was responsible for undertaking the field work at Trigg Hill. During the reconnaissance, numerous pegmatites were observed. Traverse mapping on the Curlew swarm of pegmatites has confirmed that a large number of pegmatites occurred over at least 3km of strike and up to 1.2km in width east of the excluded Curlew emerald mine. The pegmatites vary in width, dip and mineralogy. Several of the more extensive pegmatite dykes in the Curlew pegmatite swarm appear to be interconnected.

REVIEW OF OPERATIONS

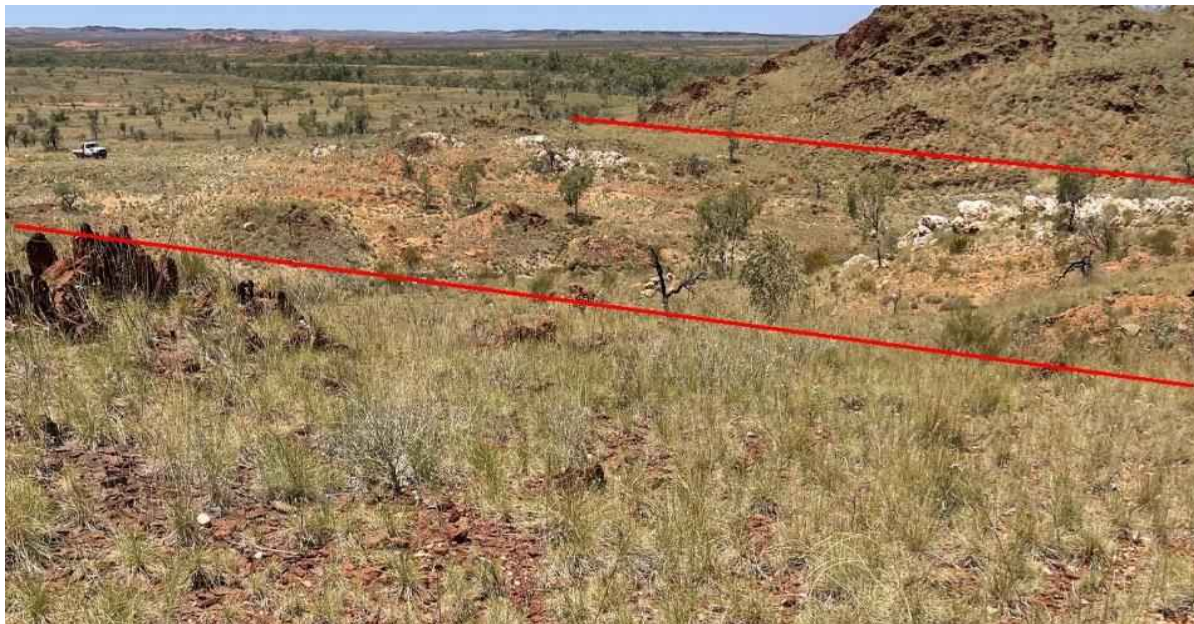


Figure 3: LCT pegmatite outcrops in Trigg Hill Project

Field work the first half of 2022 visually confirmed the presence of LCT pegmatites containing lepidolite (lithium mica) and formanite, which is consistent with historic work. A total of 124 rock chip samples and 5 stream samples were collected across the project areas and subsequently delivered to Perth for analysis. In addition, 221 soil samples were collected along traverses across the Curlew pegmatite swarm. The soil and stream samples from this traverse also were submitted for laboratory analysis.

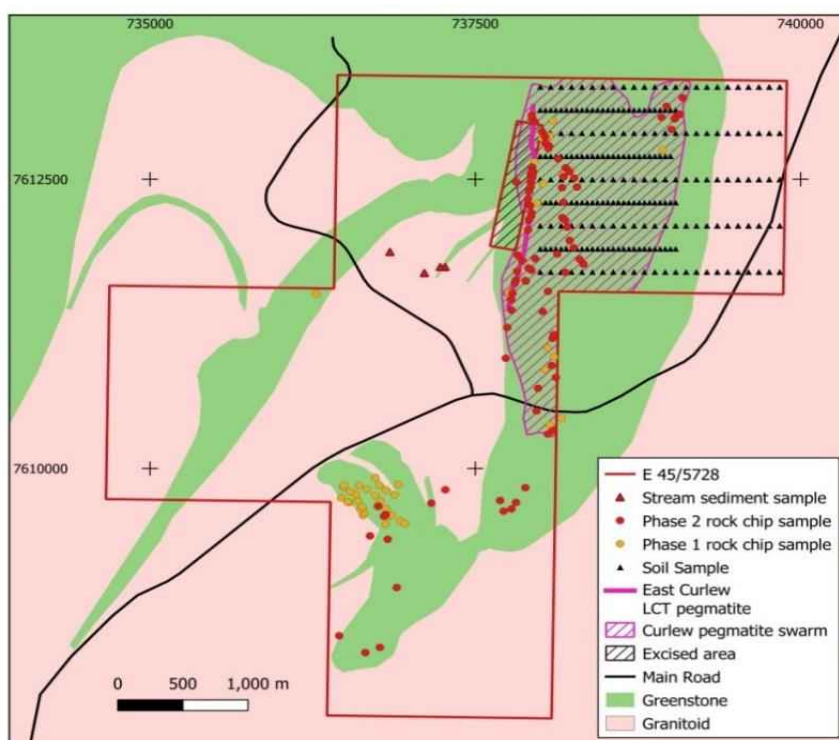


Figure 4: Distribution of rock chip samples, stream samples and soil samples

A Programme of Work ("PoW") has been lodged and an initial 2,000m drill program has been planned, targeting both spodumene and lepidolite. Drill site and access planning is well advanced with the aim of testing both the vertical and low angle mineralised pegmatites.

REVIEW OF OPERATIONS

Taylor Lookout Lithium Tantalum Project

In February 2022, the Company entered into a binding HoA with Legacy Iron Ore Ltd - to earn up to 85% of the lithium and related metal rights which includes beryllium, caesium, niobium, rubidium, tantalum and tin ("Lithium Rights") in the tenement E80/5066 ("Specified Minerals") of the Taylor Lookout Lithium-Tantalum Project ("Taylor Lookout") (refer to the Company announcement dated 28 February 2022).

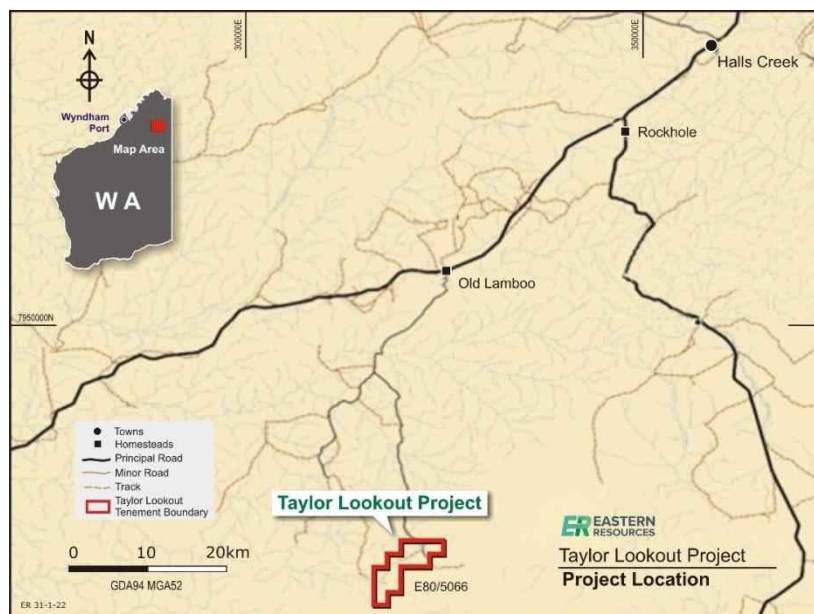


Figure 5: Location of Taylor Lookout Project

The Taylor Lookout project is located approximately 80 km southwest of Halls Creek in the Kimberley region, and is situated within the Halls Creek Orogen, where a number of small leucocratic granite plutons of the Sophie Downs Suite have intruded the metasediments and metavolcanics of the Halls Creek Group. The Sophie Downs granitoids have a composition consistent with 'fertile granites' and are the likely source of fractionated pegmatites containing minerals of tin, tantalum and lithium with the Mount Dockrell pegmatite field. Two of the granite plutons and associated pegmatites occur within the Taylor Lookout. Pegmatites have been mapped but no records on mineralogy of the pegmatites are available however the presence of the minerals tantalum within heavy mineral concentrates is a strong indication of increased fractionation in some of the pegmatites.

Tin (cassiterite) and tantalum was first discovered in Columbian Creek and in source pegmatites in 1927. Cassiterite was mined in Columbian Creek, which is 0.5km to 2km west of the tenement. Exploration for tungsten during 1980's in the areas surrounding the Taylors Lookout and Frog Creek monzogranite plutons was successful in locating tin and tungsten skarns. Stream sediment sampling has identified anomalous tantalum and niobium in the headwaters of the Columbian Creek north and south branches draining the margins of the granite plutons within the Taylor Lookout Project.

Pegmatites are common in the Taylor lookout area, proximal to fertile granite plutons. The presence of tantalum in the creeks draining these areas indicates that potential exists for fractionated pegmatites potentially hosting lithium minerals. No systematic follow-up exploration for tantalum has been undertaken on the Taylor Lookout. No exploration has been undertaken on pegmatites or for lithium on the tenement.

REVIEW OF OPERATIONS

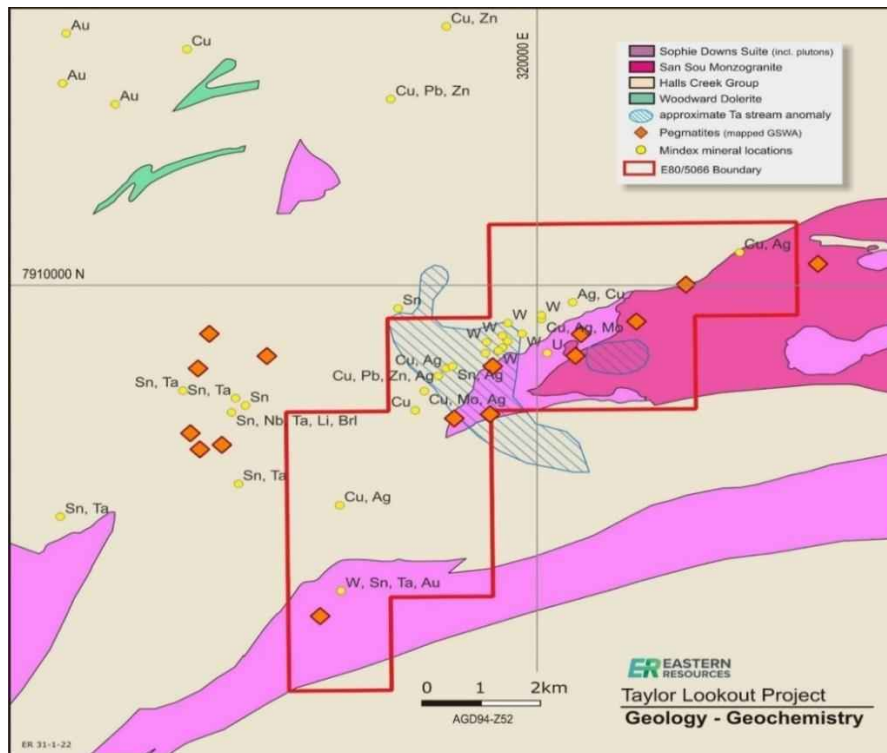


Figure 6: Taylor Lookout Project Geology

In April 2022, the Company completed its due diligence on the Taylor Lookout. All transaction conditions precedent of the HOA were satisfied/waived by Legacy Iron Ltd and the Company.

During the site visit to the Taylor Lookout in March 2022, numerous outcropping pegmatites were identified.



Figure 7: Pegmatites noted in the Taylor Lookout

A 12-month work program has been planned, and an exploration contractor has been secured for field works. The initial two-week field work is planned to commence once the Company receives approval from the Kimberley Land Council for the Heritage Impact Assessment (HIA) Application which was submitted in the second half of April 2022.

REVIEW OF OPERATIONS

NOWA NOWA PROJECT

Nowa Nowa Iron

In this financial year, the Company continued to update the existing Definitive Feasibility Study of the Nowa Nowa Iron Project, which was completed in 2014, to investigate the feasibility of production and export of a Direct Shipping Ore ("DSO") with 50% Fe magnetite content.

In August 2021, Company executed a non-binding Memorandum of Understanding with Pentarch Logistics Pty Ltd ("Pentarch") to export product from the Nowa Nowa Iron Project using the port facilities at the Port of Eden operated by Pentarch. (Refer to the Company Announcement dated 24 January 2022). The Port of Eden is a deep-water port located 234km from the Nowa Nowa Iron Project and is accessed via sealed all weather highway, and currently has stockpile and throughput capacity for proposed production rate of 1.0Mtpa for the Nowa Nowa Iron Project.

The Company completed the updated Feasibility Study ("FS") in January 2022, which confirmed the project economics for a 1.0Mtpa production rate over a 6 year LOM with magnetite direct shipping ore DSO product trucked to the Port of Eden for export. (Refer to the Company Announcement dated 24 January 2022).

Following completion of a positive FS, the Board has approved the commencement of an Environment Effects Statement ("EES") for the Project, and appointed delivery specialist AECOM to lead the EES process. The EES approval process is an all inclusive permitting approach, which includes all planning and operating licence requirements for the development and operation of the Project.

In June quarter 2022, the Study Program Addendum and a Consultation Plan were submitted to the Department of Environment, Land, Water and Planning, VIC (DELWP). A Scope of Work has been prepared and the Company is in a tendering process for specialist studies of EES and has selected consultants for the work. Some of the studies have been engaged during the Reporting Period.

In this financial year, Retention Licence RL006488 covering the Nowa Nowa Iron Project was granted by the Department of Jobs, Precincts and Regions ("DJPR"). The RL006488 has been granted to Gippsland Iron Pty Ltd, a wholly owned subsidiary of the Company. Following completion of a positive feasibility study for the Nowa Nowa Iron Project, an application has been submitted to the Victorian Government for the grant of a Mining Licence MIN007876 over Nowa Nowa Iron deposit.

Feasibility Study of Nowa Nowa Iron Project

The FS is the third assessment undertaken by EFE for the Nowa Nowa Iron Project following completion of the Scoping Study in 2012 and Feasibility Study in 2014. The FS has been revised as of January 2022 to reflect the current product philosophy and operational approach, along with updated financial metrics.

The FS shows the Nowa Nowa Iron Project is technically robust and under the assumptions of the FS would be likely to generate positive financial returns.

Key Outcomes

The following describes the key elements of the Nowa Nowa Iron Project's base case:

- Life of mine of approximately 6 years
- Mining from a single pit, the Five Mile deposit, using conventional drill, blast, load and haul mining methodology
- Project approximately 1 Mtpa magnetite direct shipping ore (DSO) -30 mm product with average grade of 51.75% Fe over the life of mine
- Haulage via a trucking operation to the Eden port, 234 km one way from the mine site
- Approximately 12 - 14 shipments per annum exported through the port, operated by Pentarch Logistics (ANWE)
- Capital cost of A\$15.7 million (15% contingency)
- Cash operating costs of A\$72.00 per tonne of DSO including royalties (FOB)
- Pre-tax NPV (8%) of A\$61.94M and IRR of 11.8%.

REVIEW OF OPERATIONS

Project Location

The Nowa Nowa Iron Project is located 7 km north of the township of Nowa Nowa, Victoria. It is 320km by road east of Melbourne, and approximately 234km by road west of the Port of Eden.



Figure 8: Nowa Nowa Iron Project Location

JORC Mineral Resource

The Mineral Resource at Five Mile was estimated by H&SC Consultants in accordance with the JORC Code 2012. H&SC estimated a total mineral resource of 9.05 Mt with an average iron content of 50.8%Fe, in the Measured, Indicated and Inferred categories as set out in Table 1 below. (Refer to the ASX announcement dated 21 May 2014¹).

Prospect	Measured		Indicated		Inferred		Total	
	Mt	Fe %	Mt	Fe %	Mt	Fe %	Mt	Fe %
Five Mile	2.25	52.8	4.32	50.4	2.49	49.7	9.05	50.8

Table 1 - Five Mile Resource Estimate (cut off of 40% Fe)

Project Operation

The operating strategy is summarised as follows:

- Engage a mining contractor for ore extraction and stockpiling at the ROM pad
- Engage a mining contractor for crushing plant encompassing all crushing, screening, and stockpiling
- Engage a road haulage contractor for product haulage from the mine to the port
- Product unloading, stockpile, reclaim, ship loading and all charges at the port
- Miscellaneous indirects and services for the supply of operations infrastructure and support.

¹ The Company is not in possession of any new information or data relating to these historical estimates that materially impacts the reliability of these estimates or the Company's ability to verify these historical estimates as mineral resources in accordance with ASX Appendix 5A.

The Company confirms that supporting information provided in its ASX announcement of 21 May 2014 for the historical estimates referred to above continues to apply and has not materially changed.

The historical estimates included in the Company's ASX announcement of 21 May 2014 were reported in accordance with the JORC Code, 2012.

REVIEW OF OPERATIONS

The FS indicates a plan to produce magnetite DSO at a 1.0 million tonnes per annum over a six-year LOM (totally approximately 4.65 million tonnes).

An open cut mine is proposed, with an average waste to ore ratio of 3.22 over the six years mining including pre-strip period. Ore will be crushed and screened to produce DSO lump product ("Product"), with estimated average product grade of 51.75% over the LOM.

The Product will be trucked from mine to the Port of Eden predominantly by sealed road, where it will be stockpiled prior to being loaded directly into Panamax ship vessels for export to customers.

Estimated Timeframe

The estimated key milestone dates from the preliminary project execution schedule developed for the purposes of the FS are as follows.

Activity	Milestone Completion Timing
Feasibility Study Report	January 2022
Environment Effects Studies	June 2022
Workplan Approval granted	June 2023
Execution commencement	June 2023
Operations (mining) commencement	July 2023

Next Steps

The FS has determined that the Nowa Nowa Iron Project is technically feasible, and on the assumption that the FS has positive financial returns. The Company will focus on the following additional works to advance the Nowa Nowa Iron Project towards development:

- Infill drilling on Five Mile deposit to upgrade existing inferred resources to measured and/or indicated resources
- Obtaining necessary approvals/ permits
- Engagement and contract negotiations with key contractors and infrastructure providers
- Detailed design works for on-site infrastructure and facilities, and for the modification of port facilities required
- Engaging with potential offtake and financing partners

Nowa Nowa Copper

The Company is waiting for the approval from the Victorian Department of Jobs, Precincts and Regions ("DJPR") for a revised Work Program of drilling proposal for Nowa Nowa Copper Project EL 006183. The work programme is planned to be commenced after the Company receives approval from DJPR. No exploration work was carried out on Nowa Nowa Copper project.

NEW PROJECTS SEARCH AND ACQUISITION

A number of projects have been evaluated by the Company during the financial year, and the Company is in commercial discussions with various parties.

CORPORATE

In December 2021, the company name was changed from Eastern Iron Limited to Eastern Resources Limited, reflecting the new direction of the Company focusing on iron ore and battery minerals.

Director Appointment and Resignation

In September 2021, Mrs Therese-Marie Taylor resigned from the Board, to focus on her other interests. Meanwhile, Mr Jason Hou was appointed to the Board as a Non-executive Director. Mr Hou's skills and experience are a good and appropriate fit within the matrix of skills required by the Board.

REVIEW OF OPERATIONS

In December 2021, Mr Myles Fang was appointed to the Board as an Executive Director. Previously Mr Fang was a Non-executive Director of the Company.

In February 2022, Mr Heath Roberts was appointed as Company Secretary, following the retirement of Mr Ian White. Mr Roberts is a Sydney based solicitor with over 25 years' experience as Company Secretary and/or Director of ASX listed entities.

Capital Raising

In September 2021, the Company completed a \$2.52 million placement to sophisticated and professional investors at an issue price of \$0.023 per share with free attaching options on the basis of one option for every five shares issued.

The Company executed a Subscription Agreement for strategic placement of approximately \$1.05 million to Yahua of 45,500,000 fully paid ordinary shares ("Yahua Shares") at an issue price of \$0.023, and 9,100,000 options exercisable at \$0.012 each and expiring on 31 January 2023 on the basis of one option for every five shares issued. In October, Yahua completed the placement and now Yahua has an interest in 45.5 million shares in the Company, representing a relevant interest in 5.05% in the Company.

The funds raised is to finance the development and exploration activities at Nowa Nowa Iron Project and Nowa Nowa Copper Project and the exploration activities at the Trigg Hill Project conditional on acquisition and for general working capital.

Strategic Partnership with Major Lithium Converters

In this financial year, the Company has formed strategic partnership with Ya Hua International Investment and Development Co. Ltd, a wholly owned subsidiary of Yahua Group which is one of the largest Chinese lithium converters, to acquire and develop spodumene projects. The Company also has executed Strategic Partnership Agreement with Yongxing Special Materials Technology Co. Ltd. ("Yongxing") to acquire and develop lepidolite projects. Yongxing is one of the major Chinese lithium converters using lepidolite concentrates as feed to produce battery grade lithium carbonate. These two strategic relationships provide Eastern Resources with excellent coverage over the primary lithium sources.

Strategic Partnership with Yahua to Acquire and Develop Lithium Projects

In November 2021, the Company announced a Strategic Partnership Agreement with Ya Hua International Investment and Development Co. Ltd ("Yahua") to form a strategic partnership for acquisition and development of lithium projects, on the key terms as follows:

- Yahua and the Company to establish a long-term strategic partnership for the supply of spodumene concentrates, and the potential acquisition and development of spodumene projects;
- Yahua and the Company to co-operate in respect of the acquisition and development of spodumene projects in Australia and in other countries (other than China or any country in Africa);
- On completion of the Company's acquisition of the Trigg Hill Project and the definition of an initial exploration target for Trigg Hill (which has not yet occurred), the parties to establish a JV for the exploration and development of Trigg Hill;
- Yahua will be granted a first right of refusal on offtake of spodumene products from any of the JV projects, including the Trigg Hill Project once the Trigg Hill JV is established;
- The Company has an option to enter into a long-term offtake agreement with Yahua in respect of spodumene products produced from other projects owned by the Company, but which are not subject to any of the JVs;
- Any further transactions pursuant to the Strategic Partnership Agreement remain subject to formal agreement.

Strategic Partnership with Yongxing to Acquire and Develop Lepidolite Projects

In May 2022, the Company executing a Strategic Partnership Agreement with Yongxing to form an exclusive strategic partnership for acquisition and development of lepidolite projects in Australia, on the key terms as follows:

- Yongxing and the Company wish to establish a long-term strategic partnership for the potential supply of lepidolite concentrates, and the potential acquisition and development of lepidolite projects (Projects).
- Yongxing will be the exclusive partner of the Company, and the Company will be the exclusive partner of Yongxing when either Party seeks, acquires and develops the Projects.

REVIEW OF OPERATIONS

- Before acquiring the Projects, Yongxing and the Company wish to enter a joint venture relationship for seeking Projects. The parties agree in principle that:
- A joint venture (Pre-Acquisition JV) will be established to carry out works related to pre-acquisition of Projects.
- The interests in the Pre-Acquisition JV will be 60% for the Company and 40% for Yongxing or its subsidiaries.
- The funding contributions to the Pre-Acquisition JV will be \$100,000 by the Company and \$900,000 by Yongxing.
- The parties will discuss the termination or continuation of the Pre-Acquisition JV if no acquisition of a Project occurs within 12 months after formation of the Pre-Acquisition JV.
- When Yongxing and the Company make a decision on acquiring any Projects, the Parties will enter a joint venture (Lepidolite JV) for the acquisition and development of the Projects, on the following key principles:
- The Lepidolite JV is to be responsible for carrying out further exploration drilling, completing a feasibility study, and development of the Projects.
- The interests of the Parties in each Lepidolite JV will be 60% for the Company and 40% for Yongxing or its subsidiaries, or the interests as mutually agreed when the parties form each Lepidolite JV.
- Both parties to contribute to the costs of operation of the Lepidolite JV on a pro rata basis.
- With mutual agreement by the Parties, either Party can sell part of or all its equity interests to a third party, and the Parties will hold a pre-emptive right on any sale of another party's joint venture interest to acquire that interest on the same terms offered to the third party (Pre-emptive Right). The Pre-emptive Right does not apply when either party sells part of or all its joint venture interest to a wholly owned subsidiary and/or an entity controlled by that party.
- The Company is to be the manager of the Lepidolite JV, subject to holding a 35% or greater interest in the Lepidolite JV and if Yongxing (or its subsidiaries) sells part of its joint venture interest to a third party resulting in that third party holding a joint venture interest in the Lepidolite JV of not more than 35%. Under any other circumstances the joint venture parties will negotiate to determine the manager of the Lepidolite JV.
- Yongxing will be granted a first right of refusal on offtake of lepidolite products from any of the JV projects.
- Any further transactions pursuant to the Strategic Partnership Agreement remain subject to formal agreement.

Joint Venture between the Company and Yongxing Special Materials Australia Pty Ltd

In June, EFE Yongxing Pty Ltd ("JV Company") was incorporated by Eastern Resources and Yongxing Special Materials Australia Pty Ltd ("YSMA"), a subsidiary of Yongxing, with the JV Company to actively seek lepidolite opportunities from exploration stage through to projects with established resources and will investigate any potential opportunities regarding producing lepidolite concentrates/DSO by co-operating with operating lithium mines and lithium projects in advanced stages.

Reference to the Company's previous ASX announcements:

- 4 August 2021: Option to Acquire Trigg Hill Lithium Project
- 11 August 2021: MOU Executed with Pentarch to Export from the Port of Eden
- 17 September 2021: Strategic Placement and Equity Raising
- 28 September 2021: Director Appointment/Resignation
- 15 November 2021: Strategic Partnership Agreement Executed with Yahua
- 16 December 2021: Myles Fang Appointed Executive Director & Terms of Agreement
- 22 December 2021: Change of Company Name
- 23 December 2021: Retention Licence Granted for Nowa Nowa Iron Project
- 24 January 2022: Positive Feasibility Study for Nowa Nowa Iron Project
- 27 January 2022: Nowa Nowa Application for ML and EES Commencement
- 14 February 2022: Company Secretary Appointment/Retirement
- 28 February 2022: Eastern Resources Acquires Lithium Tantalum Project
- 11 April 2022: Taylor Lookout Project – Due Diligence Completed
- 4 May 2022: Strategic Partnership Executed with Yongxing

REVIEW OF OPERATIONS

- 5 May 2022: Confirmation of Extensive LCT Pegmatites at Trigg Hill Lithium-Tantalum Project
- 12 May 2022: Completion of Phase II Field Work at Trigg Hill Lithium-Tantalum Project
- 10 June 2022: Joint Venture with Yongxing for Lithium Projects
- 8 July 2022: Outstanding Lithium Assays at Trigg Hill Project

The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

PROGRAM FOR 2022 – 2023

Nowa Nowa Iron

The Company will continue to progress the permitting and approvals process to ensure a rapid development of the Project.

Nowa Nowa Copper

The Company will undertake a drilling program at its Three Mile Prospect.

Trigg Hill Lithium

The Company will conduct exploration activities at Trigg Hill Project.

Taylor Lookout Lithium

The Company will undertake mapping and sampling activities once HIA application is approved by Kimberley Land Council, following initial 1500 meters drilling when drill targets are defined.

Other Projects

The Company will continue its search for additional exploration projects.

Competent Persons Statement

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

The information in this release that relates to the Exploration Results of the Trigg Hill Project is based on and fairly represents information and supporting documents compiled by Mr Mark Calderwood, the sole director of Amery Holdings Pty Ltd. Mr. Calderwood is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Calderwood has sufficient relevant experience in respect to the style of mineralization under consideration and to the activity being undertaken to qualify as a Competent Person within the definition of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). Mr Calderwood consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

TENEMENT SCHEDULE AND RESOURCE SUMMARY

TENEMENT SCHEDULE

As at 30 June 2022

During this financial year, Gippsland Iron Pty Ltd, a wholly owned subsidiary of the Company, has withdrawn the application for EL5545, located in Nowa Nowa region, Victoria.

Tenement	Status	Holder	Current Interest	Notes
Nowa Nowa Project in Victoria				
EL006183	Granted	Gippsland Iron Pty Ltd	100%	
RL006488	Granted	Gippsland Iron Pty Ltd	100%	
MIN007876	Under application	Gippsland Iron Pty Ltd	100%	
Trigg Hill Project in Western Australia				
E45/5728	Granted	Eastern Resources Ltd	0%	1
Taylor Lookout Project in Western Australia				
E80/5066	Granted	Eastern Lithium Pty Ltd	0%	2

EL: Exploration Licence

RL: Retention Licence

MIN: Mining Licence

E: Exploration Licence

Gippsland Iron Pty Ltd and Eastern Lithium Pty Ltd are wholly owned subsidiaries of Eastern Resources Ltd.

Notes:

1. Subject to Heads of Agreement with Amery Holdings Pty Ltd announced on 4 August 2021 to earn up an 100% interest in E45/5728
2. Subject to Heads of Agreement with Legacy Iron Ore Ltd announced on 28 February 2022 to earn up an 85% Lithium Rights in E80/5066

RESOURCE SUMMARY

As at 30 June 2022

NOWA NOWA, VICTORIA

Prospect	Measured		Indicated		Inferred		Total	
	Mt	Fe %	Mt	Fe%	Mt	Fe %	Mt	Fe %
Five Mile	2.25	52.8	4.32	50.4	2.49	49.7	9.05	50.8

Note decimals do not imply precision and are used to avoid rounding errors

Resource is estimated at a lower cut-off of 40%.

This report has been approved by and fairly represents information and supporting documents compiled by Mr Greg De Ross, BSc. Mr De Ross is a consultant of Eastern Resources Limited and is a Fellow of the Australasian Institute of Mining and Metallurgy and is bound by and follows the Institutes codes and recommended practices. He has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

TENEMENT SCHEDULE AND RESOURCE SUMMARY

The information in this table that relates to Estimation and Reporting of Mineral Resources has been prepared by and is based on and fairly represents information and supporting documents compiled by Mr Rupert Osborn BSc, MSc who is a member of the Australasian Institute of Geoscientists, a full time employee of H&S Consultants and an independent consultant to Eastern Resources Limited. Full details of the Nowa Nowa Resource estimate including Table 1 details and competent person consents were published on 21 May 2014 under the guidelines of the JORC 2012 Code in a report to the ASX titled "Resource Upgrade at Nowa Nowa Iron Project".

Eastern Resources Limited confirms that it is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning the Mineral resource Estimates in the report continue to apply and have not materially changed.

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2022.

DIRECTORS

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

Director	Qualifications and Experience
Ariel Edward King BComm, BEng (Mining – Hons) Non-Executive Chairman	<p><i>Appointed July 2017</i></p> <p>Mr King holds a Bachelor of Commerce and Bachelor of Engineering (Mining Systems) from The University of Western Australia. Mr King's past experience includes being Manager for an investment banking firm, where he specialised in the technical and financial requirements of bulk commodity and other resource projects for investment and acquisition.</p> <p>During the past three years Mr King has also served as a director of the following listed companies:</p> <ul style="list-style-type: none"> – Noble Helium Limited (ASX: NHE) – appointed 15 December 2021 – Bindi Metals Limited (ASX: BIM) – appointed 27 May 2021 – M3 Mining Limited (ASX: M3M) – appointed 16 November 2020 – Queensland Pacific Metals Limited (ASX: QPM) – appointed 26 March 2018 – Ragnar Metals Limited (ASX: RAG) – appointed 10 February 2017 – Rubix Resources Limited (ASX: RB6) – appointed 30 June 2021 – ECS Botanics Holdings Limited (ASX: ECS formerly Axxis Technology Group Limited – appointed 11 January 2017, resigned 26 March 2019) – Pure Minerals Limited (ASX: PM1) – appointed 26 March 2018 – European Cobalt Ltd (ASX: EUC) – appointed 4 October 2016, resigned 1 April 2020 – Six Sigma Metals Limited (ASX: SI6) – appointed 12 June 2018. Resigned 9 April 2020 – Sultan Resources Limited (ASX: SLZ) – appointed 1 June 2018, resigned 12 March 2019 – Bowen Coking Coal Limited (ASX: BCB) – appointed 22 April 2015, resigned 12 December 2018
Myles Fang Executive Director	<p><i>Appointed March 2018</i></p> <p>Mr Fang is an engineer with more than 20 years experience in business development, corporate & project management, project finance, and M&A, including 15 years' experience in mining industry, both in Australia and overseas.</p> <p>He has experience on all the aspects of project development through exploration, feasibility studies and resources development and mining in commodities such as iron ore, coal, base and precious metals, and mineral sands.</p> <p>Mr Fang has been a senior executive of WPG Resources Ltd, and Aard Metals Ltd.</p> <p>During the past three years Mr Fang has not served as a director of any other listed companies.</p>
Therese-Marie Taylor Non-Executive Director	<p><i>Appointed July 2017 (resigned 27 September 2021)</i></p> <p>Ms Taylor is an accountant with extensive experience in the mining, energy and utilities sectors including a period with the Treasury and Commodities Division of Australia's largest investment bank. In this role, she provided accounting services and advice relating to mining and commodity related transactions.</p> <p>During the past three years Ms Taylor has not served as a director of any other listed companies.</p>

DIRECTORS' REPORT

Jason Hou Non-Executive Director	<i>Appointed 27 September 2021</i> Mr Hou has a professional background in finance and accounting sectors. He has extensive experience and connections in Australia and China and has been involved in numerous M&A transactions for listed and private companies with a focus on restructuring and capital sourcing on inward China and Hong Kong based investment in the resources sector. Mr Hou was one of the co-founders of Bligh Resources Limited. Mr Hou also played a leading role in the A\$110 million listing of Stonewall Resources Limited on the ASX. During the past three years Mr Hou has not served as a director of any other listed companies.
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COMPANY SECRETARY

Ian White BBus, MBA, Grad Dip CSP, FCPA	<i>Appointed 14 August 2012 (resigned 14 February 2022)</i> Mr White is an experienced business professional who holds a Bachelor of Business, a Graduate Diploma in Company Secretarial Practise and an MBA specialising in marketing. His experience has been gained over 44 years including periods as CFO and Group Company Secretary for a number of large ASX listed companies. More recently, Mr White has focused on the resources and technology sectors. Mr White is a Director of Professional Edge Pty Ltd, a company that provides legal, financial and company secretarial services to a number of ASX listed companies.
Heath Roberts	<i>Appointed 14 February 2022</i> Mr Roberts is a commercial solicitor with over twenty-seven years of ASX listed company management and operational experience, from Company Secretary to Executive Director level. He has particular strength in corporate compliance, exploration, feasibility and mining activities, due diligence/acquisitions, joint venture structuring / management and fundraising.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at the date of this report, the interests of the Directors in the shares and options of Eastern Resources Limited were:

Directors	Shares directly and indirectly held	Options directly and indirectly held
Ariel King	6,300,000	7,000,000
Myles Fang	13,754,166	7,008,750
Therese Taylor	11,904,767	7,000,000
Jason Hou	7,000,000	1,000,000

PRINCIPAL ACTIVITIES

The principal activity of the Group is the exploration for and delineation of battery minerals, iron ore, precious and base metals resources in Australia/Asia Pacific region and the development of those resources into economic, cash flow generating mines.

RESULTS

The net result of operations after applicable income tax expense was a loss of \$2,981,603 (2021: 592,397). There was \$13,480 of exploration and evaluation expenditure written off during the year (2021: nil).

DIVIDENDS

No dividends were paid or proposed during the period.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

A review of the operations of the Company during the financial period and the results of those operations commence on page 2 in this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial period, other than as disclosed in this report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2022 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 the following:

- On 19 September 2022, the Company announced that it has exercised the Trigg Hill Project option (ref ASX:EFE 4 August 2021). Under the Trigg Hill Option Agreement, the Company must now pay \$250,000 cash and issue \$500,000 in Company shares to the vendor, Amery Holdings Pty Ltd ("Amery") in order to acquire the Project. Additionally, Amery retains a net smelter royalty of 1.5% on all minerals produced from the Project.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

As the Company's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Company is hoping to identify other battery minerals exploration and evaluation targets.

SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

Details of unissued shares or interests under option for Eastern Resources Limited as at the date of this report are:

No. shares under option at start of the year	Class of share	Issued	Exercised	Exercise price of option	No. shares under option at end of the year
155,773,193	Ordinary	31,000,003	(50,804,770)	\$0.0120	135,968,426
23,000,000	Ordinary	51,000,000	(35,550,000)	\$0.0142 - \$0.080	38,450,000

The holders of these options do not have the right, by virtue of the option, to participate in any share issue of the Company or of any other body corporate or registered scheme.

In August 2022 the Company issued 12,294,069 fully paid ordinary shares from exercised of 12,294,069 listed options.

ENVIRONMENTAL PERFORMANCE

Eastern Resources and its wholly owned subsidiaries hold an exploration licence, a retention licence and a mining licence application issued by the Victorian Department of Economic Development, Jobs, Transport and Resources. The Company also has an obligation on an exploration licence issued by the Western Australia Department of Mines, Industry Regulation and Safety. The Company's operations are subject to specific guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the Department's guidelines and standards. There have been no significant known breaches of the licence conditions.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings except for the Company Secretary who has been granted an indemnity for services provided under his contract.

Insurance Premiums

During the financial period the Company has paid premiums to insure each of the Directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2022 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of Key Management Personnel

Details of KMP including the top five remunerated executives of the Parent and Group are set out below.

Directors	
Ariel King	Non-executive Chairman
Myles Fang	Executive Director
Jason Hou (appointed 27 September 2021)	Non-executive Director
Therese-Marie Taylor (resigned 27 September 2021)	Non-executive Director
Key Management Personnel	
Ian White (resigned 14 February 2022)	Company Secretary
Heath Roberts (appointed 14 February 2022)	Company Secretary

Remuneration Philosophy

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- Competitiveness and reasonableness.
- Acceptability to shareholders.
- Performance linkage/alignment of executive compensation.
- Transparency.
- Capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long term incentives in line with the Company's limited financial resources.

Fees and payments to the Company's Non-Executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-Executive Directors, Senior Executives and Officers may be offered to receive options under the Company's Employee Share Option Scheme.

Non-Executive Director Remuneration Arrangements

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-Executive Directors (NED) may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the NED's has been fixed at a maximum of \$250,000 per annum to be apportioned among the NED's in such a manner as the Board determines. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

Effective from 1 May 2022 the base fee for all Non-Executive Directors including the Chairman was increased from \$60,000 p.a to \$72,000 p.a plus an additional \$24,000 p.a is paid for the Chairman consulting fee with no additional payments for chairing Board Committee.

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in employment contracts and contractor agreements. Details of these agreements are set out below.

DIRECTORS' REPORT

Executive Director – Myles Fang

- Contract term: Rolling contract. The Company may terminate the agreement with 120 days' notice, or the contractor may terminate the agreement with 30 days' notice.
- Remuneration: Effective from 16 December 2021, Mr Fang moved from Non-Executive to Executive with the service fee of \$160,000 p.a excluding GST. In addition, Mr Fang will be paid a twice yearly share based service fee of \$50,000 p.a on the agreed date in accordance with the formula calculated on the basis of the 20 day trading volume weighted average price of the Company. The share based services fee can be settled in cash excluding GST in the event that shareholder approval is unable to be obtained in respect of an issue of ordinary shares.
- Termination payments: The Company may make a cash payment in lieu of part or all of a notice period of an amount equivalent to the Cash Service Fee or Share Service Fee that would have been payable if the Engagement had continued during that period.

Company Secretary – Ian White (resigned 14 February 2022)

Company Secretary – Heath Roberts (appointed 14 February 2022)

- Contract term: Rolling contract. Either party may terminate the agreement with one months' notice.
- Remuneration: Retainer amount of \$6,000 per month plus \$175 per hour plus GST for services outside of an agreed scope of work as at 30 June 2021.
- Termination payments: Nil

Directors and Key Management Personnel Remuneration for the Year Ended 30 June 2022

	Short-term benefits		Post employment	Share-based payments	
	Cash salary and fees \$	Consulting fees \$	Super-annuation \$	Options \$	Total \$
Non-Executive Directors					
A King	62,000	4,000	-	406,000	472,000
M Fang (i)	30,000	137,000	-	406,000	573,000
T Taylor	15,000	-	-	-	15,000
J Hou	47,000	-	-	406,000	453,000
	154,000	141,000	-	1,218,000	1,513,000
Executive Director					
Myles Fang (ii)	80,000	-	-	-	80,000
	80,000	-	-	-	80,000
Other – Key Management Personnel					
I White	-	26,337	-	70,980	97,317
H Roberts	-	16,500	-	-	16,500
Total KMP	-	42,837	-	70,980	113,817
Total	234,000	183,837	-	1,288,980	1,706,817

- Mr. M Fang was paid \$100,000 in shares issued at \$0.015 each in lieu of consulting fees in accordance with shareholder approval at the 7 December 2021 Annual General Meeting.
- Mr. M Fang was appointed as Executive Director on 16 December 2021.

No performance based remuneration was paid in the 2022 financial period.

DIRECTORS' REPORT

Directors and Key Management Personnel Remuneration for the Year Ended 30 June 2021

	Short-term benefits		Post employment	Share-based payments	Total
	Cash salary and fees \$	Consulting fees \$	Super-annuation \$	Options \$	
Non-Executive Directors					
A King	60,000	-	-	33,220	93,220
M Fang	60,000	31,085	-	33,220	124,305
T Taylor	60,000	-	-	33,220	93,220
	180,000	31,085	-	99,660	310,745
Other – Key Management Personnel					
I White	-	32,598	-	4,746	37,344
Total KMP	-	32,598	-	4,746	37,344
Total	180,000	63,683	-	104,406	348,089

No performance based remuneration was paid in the 2021 financial period.

Share-Based Compensation

Employee Share Option Plan

The Company has established the Eastern Resources Employee Share Option Plan ("Plan") to assist in the attraction, retention and motivation of employees of the Company. There are no options granted under the Plan as at the date of this report. The Plan will be administered by the Board in accordance with the rules of the Plan, and the rules are subject to the Listing Rules.

A summary of the Rules of the Plan follows. All full-time employees will be eligible to participate in the Plan. The allocation of options to each employee is at the discretion of the Board. The options will be issued for nil consideration and are non-transferable, except with the consent of Directors. However, at the time of accepting the offer to participants of the Plan, the eligible employee may nominate another person in whose favour the options should be granted. If permitted by the Board, options may be issued to an employee's nominee (for example, a spouse or family company).

Each option is to subscribe for one fully paid ordinary share in the Company and will expire five years from its date of issue. An option is exercisable at any time from its date of issue. Options will be granted free.

The exercise price of options will be determined by the Board. The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous five years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.

If, prior to the expiry date of options, a person ceases to be an employee of a Group company for any reason (other than termination with cause), the options held by that person (or that person's nominee) must be exercised within one month thereafter otherwise they will automatically lapse. The Plan may be terminated or suspended at any time.

Except with the consent of the Directors, options may not be transferred. The Company will not apply for official quotation of any options. Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.

If there is a bonus share issue to the holders of shares, the number of shares over which an option is exercisable will be increased by the number of shares which the optionholder would have received if the option had been exercised before the record date for the bonus issue. The options or exercise price of the options will be adjusted if there is a pro-rata issue, bonus issue or any reconstruction in accordance with the Listing Rules. If there is a pro-rata issue (other than a bonus share issue) to the holders of shares, the exercise price of an option will be reduced to take account of the effect of the pro-rata issue. If there is a reorganisation of the issued capital of the Company, unexercised options will be reorganised in accordance with the Listing Rules.

Subject to obtaining required members' approval to authorise the granting of financial assistance to a participant, the Directors can make loans to eligible employees in connection with shares to be issued upon exercise of options under the Plan.

The Board may amend the Plan Rules subject to the requirements of the Listing Rules.

DIRECTORS' REPORT

Compensation Options: Granted and Vested During the Year

Share-based Payments held by Directors and Key Management as at 30 June 2022

	Balance at start of the year/on appointment	Granted during the year	Vested and exercisable	Exercised during the year	Expired during the year	Balance at the end of the year/on vacating office
A King	7,000,000	6,300,000	7,000,000	(6,300,000)	-	7,000,000
M Fang	7,000,000	7,000,000	7,000,000	(7,000,000)	-	7,000,000
J Hou	1,000,000	7,000,000	7,000,000	(7,000,000)	-	1,000,000
T Taylor	7,000,000	-	-	(7,000,000)	-	-
I White	1,000,000	1,500,000	1,500,000	(1,000,000)	-	1,500,000

The value of options granted during the period is recognised as compensation over the vesting period of the grant, in accordance with Australian Accounting Standards.

For details on the valuation of the options, including models and assumptions used, please refer to Note 12.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period.

MEETINGS OF DIRECTORS

The following table sets out the number of Directors' meetings and meetings of Committees of Directors, held during the financial year and the number of meetings attended by each Director:

	Board of directors		Audit committee	
	Eligible	Attended	Eligible	Attended
Ariel King	6	6	2	2
Myles Fang	6	6	1	1
Therese Taylor	2	1	1	1
Jason Hou	4	4	1	1

The duties of the Corporate Governance Committee were carried out by the full Board at Board meetings for the 2022 financial year. The Remuneration and Nomination Committee did not meet during the 2022 financial year as remuneration matters were dealt with by the Board as a whole.

Auditor's Independence Declaration

To the directors of Eastern Resources Limited

As engagement partner for the audit of Eastern Resources Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDJ Partners



Gregory Cliffe

Partner

16 September 2022

Tax

Accounting

**Financial
Advice**

Super

Audit

Loans

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DIRECTORS' REPORT

Non-audit services

The Company's auditor, BDJ Partners did not provide non-audit services for Eastern Resources during the financial year ended 30 June 2022 (2021: Nil). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Signed at Sydney this 20th day of September 2022 in accordance with a resolution of the Directors.



Ariel Edward King
Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
-			
Revenue	3	23	37
ASX and ASIC fees		(78,549)	(31,533)
Audit fees	16	(29,000)	(27,300)
Contract administration services		(171,621)	(86,220)
Directors fees (net of costs recharged to exploration projects)		(154,000)	(130,000)
Share-based payments		(2,322,226)	(199,472)
Rent		(7,200)	(8,678)
Insurance		(25,701)	(17,270)
Exploration and evaluation expenditure written off		(13,480)	-
Other expenses from ordinary activities		(179,849)	(91,961)
Loss before income tax expense		(2,981,603)	(592,397)
Income tax expense	4	-	-
Loss after income tax expense		(2,981,603)	(592,397)
Total comprehensive (loss) attributable to members of Eastern Resources Limited		(2,981,603)	(592,397)
Basic loss per share (cents per share)	13	0.33	0.11
Diluted loss per share (cents per share)	13	0.33	0.11

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
Current assets			
Cash assets	5	4,609,889	1,495,886
Receivables	6	43,280	52,930
Total current assets		4,653,169	1,548,816
Non-current assets			
Tenement security deposits	7	20,000	20,000
Property, plant and equipment	8	1,792	536
Deferred exploration and evaluation expenditure	9	4,186,662	3,510,065
Total non-current assets		4,208,454	3,530,601
Total assets		8,861,623	5,079,417
Current liabilities			
Payables	10	231,453	97,748
Other liabilities		1,600	-
Total current liabilities		233,053	97,748
Total liabilities		233,053	97,748
Net assets		8,628,570	4,981,669
Equity			
Contributed equity	11	21,511,462	17,207,684
Accumulated losses		(13,814,775)	(12,427,487)
Reserves	12	931,883	201,472
Total equity		8,628,570	4,981,669

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(514,625)	(424,977)
Interest received		23	38
Net cash flows (used in) operating activities	21	(514,602)	(424,939)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(549,104)	(367,316)
Payments for plant and equipment		(1,749)	-
Net cash flows (used in) investing activities		(550,853)	(367,316)
Cash flows from financing activities			
Proceeds from issue shares (net of costs)		3,307,401	2,178,331
Proceeds from exercise of options		872,057	-
Net cash flows from financing activities		4,179,458	2,178,331
Net increase/(decrease) in cash held		3,114,003	1,386,076
Add opening cash brought forward		1,495,886	109,810
Closing cash carried forward	21	4,609,889	1,495,886

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Issued capital \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 1 July 2020		15,037,353	(11,835,090)	-	3,202,263
Loss for the period		-	(592,397)	-	(592,397)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		-	(592,397)	-	(592,397)
Transactions with owners in their capacity as owners:					
Share-based payments		-	-	199,472	199,472
Underwriter options offer		-	-	2,000	2,000
Issue of share capital, net of transaction costs	11	2,170,331	-	-	2,170,331
Total transactions with owners in their capacity as owners		2,170,331	-	201,472	2,371,803
Balance at 30 June 2021		17,207,684	(12,427,487)	201,472	4,981,669
Loss for the period		-	(2,981,603)	-	(2,981,603)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		-	(2,981,603)	-	(2,981,603)
Transactions with owners in their capacity as owners:					
Exercise of options	11	871,057	-	-	871,057
Share-based payments	12	-	-	2,322,226	2,322,226
Exercised of employee share option value transferred to accumulated losses	12	-	1,594,315	(1,594,315)	-
Underwriter options offer	12	-	-	2,500	2,500
Issue of share capital, net of transaction costs	11	3,432,721	-	-	3,432,721
Total transactions with owners in their capacity as owners		4,303,778	1,594,315	730,411	6,628,504
Balance at 30 June 2022		21,511,462	(13,814,775)	931,883	8,628,570

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1. CORPORATE INFORMATION

The financial report of Eastern Resources Limited (the Company) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 20 September 2022.

Eastern Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd using the ASX code EFE.

The consolidated financial statements comprise the financial statements of Eastern Resources Limited and its subsidiaries (the Group or Consolidated Entity).

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has been prepared on a historical cost basis. All amounts are presented in Australian dollars.

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards (IFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Eastern Resources Limited (Eastern Resources or the "Company") and its subsidiaries if applicable ("the Group") as at 30 June each year. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Subsidiaries are fully consolidated from 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.

Property, Plant and Equipment

Plant and equipment is stated at cost, less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Plant and equipment – 3 - 8 years.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An item of plant and equipment is derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

Recoverable Amount of Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- Amortised cost
- Fair value through profit or loss FVTPL
- Fair value through other comprehensive income equity instrument (FVOCI equity)
- Fair value through other comprehensive income debt investments (FVOCI debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised Cost

Assets measured at amortised cost are financial assets where:

- The business model is to hold assets to collect contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair Value Through Other Comprehensive Income

The Company does not hold any assets measured at fair value through other comprehensive income.

Financial assets through profit or loss

The Company does not hold any assets measured at fair value through profit or loss.

Impairment of Financial Assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

Financial Assets Measured at Amortised Cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- The other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- The financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade Receivables and Contract Assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other Financial Assets Measured at Amortised Cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial Liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade and other payables, bank and other loans and lease liabilities

Exploration, Evaluation, Development and Restoration Costs

Exploration and Evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale.
- Exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration and Evaluation – Impairment

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry-forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Income Statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis, provisions would be reviewed and if appropriate, written back.

Development

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the Directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Restoration

Provisions for restoration costs are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Remaining Mine Life

In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

Mine Property Held for Sale

Where the carrying amount of mine property and related assets will be recovered principally through a sale transaction rather than through continuing use, the assets are reclassified as Mine Property Held for Sale and carried at the lower of the assets' carrying amount and fair value less costs to sell – where such fair value can be reasonably determined, and otherwise at its carrying amount. Liabilities and provisions related to mine property held for sale are similarly reclassified as Liabilities – Mine Property Held for Sale and, Provisions – Mine Property Held for sale, as applicable, and carried at the value at which the liability or provisions expected to be settled.

Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of one year or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

Trade and Other Payables and Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee Entitlements

Liabilities for wages and salaries are recognised and are measured as an amount unpaid at the reporting date at current pay rates in respect of an employee's services up to that date. Current employees are entitled to annual leave and long service leave.

Share-Based Payments

In addition to salaries, the Company provides benefits to certain employees (including Directors and Key Management personnel) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). There is currently an Employee Share Option Plan in place to provide these benefits.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Black-Scholes option pricing model. In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- The extent to which the vesting period has expired.
- The Company's best estimate of the number of equity instruments that will ultimately vest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately. However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and the new award are treated as if there was a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Currency

Both the functional and presentation currency is Australian dollars (A\$).

Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Significant Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-Based Payment Transactions

The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted, as detailed in Notes 12.

Capitalisation and Write-Off of Capitalised Exploration Costs

The determination of when to capitalise and write-off exploration expenditure requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings Per Share

Basic earnings per share is calculated as net profit attributable to members of the Company, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- Costs of servicing equity.
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses.
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.
- Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Going Concern

The financial report has prepared on the going concern basis that the Group has the ability to pay its debts as and when they become due and payable for at least the next 12 months from the date of issuing the financial report.

For the year ended 30 June 2022, the Group incurred a loss from continuing operations after tax of \$2,981,603 (2021: \$592,397). The Group had operating cash outflows of \$514,602 (2021: \$424,939). The Group's net cash outflow from investing activities was \$550,853 (2021: 367,316). The Group's net current assets were \$4,420,116 (2021: \$1,451,068). The Group is continuing to optimise cash usage in its operations, balancing preservation of cash with the need to advance its exploration interests.

During the year, the Group successfully raised a net amount of \$3,307,401 after broker fees from a variety of equity raising processes (predominately share placements to sophisticated and professional investors, rights issues and the exercise of existing share options).

At 30 June 2022, the Group had a cash balance of \$4,609,889. From a cash flow forecast for the next 12 months prepared by management, the Directors believe that the Group will have sufficient working capital to meet its project development and administrative expenses as and when they are due, and therefore, the financial report has been prepared on the going concern basis.

Accounting Standards Issued But Not Yet Effective

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2022. The Consolidated Entity plans to adopt these standards at their application dates.

It is anticipated that the application of these standards will not have a material effect on the Group's results or financial report in future periods.

The director's assessment of the impact of all standards applied during the current year is that they have not had a material impact on the financial report of the company.

3. REVENUE FROM ORDINARY ACTIVITIES

	2022 \$	2021 \$
Interest received – other persons/corporation	23	37
	23	37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

4. INCOME TAX

	2022 \$	2021 \$
Prima facie income tax (credit) on operating (loss) at 25% (2021: 26%)	745,401	154,023
Future income tax benefit in respect of timing differences – not recognised	(745,401)	(154,023)
Income tax expense	-	-

No provision for income tax is considered necessary in respect of the Company as at 30 June 2022. The Company has a deferred income tax liability of Nil (2021: Nil) associated with exploration costs deferred for accounting purposes but expensed for tax purposes. This liability has been brought to account and offset by deferred tax assets attributed to available tax losses. No recognition has been given to any deferred income tax asset which may arise from available tax losses, except to the extent offset against deferred tax liabilities. The Company has estimated its losses at \$11,710,765 (2021: \$10,939,049) as at 30 June 2022. There was no adjustment to deferred tax during the year. A benefit of 25% (2021: 26%) of approximately \$2,927,691 (2021: \$2,844,153) associated with the tax losses carried forward will only be obtained if:

- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised.
- The Company continues to comply with the conditions for deductibility imposed by the law.
- No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

5. CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Cash at bank	4,609,889	1,495,886
	4,609,889	1,495,886

Bank negotiable certificates of deposit, which are normally invested between 30 and 365 days were used during the period and are used as part of the cash management function.

6. RECEIVABLES – CURRENT

	2022 \$	2021 \$
Other debtors	3,152	2
GST receivables	14,490	34,395
Prepayments	25,638	18,533
	43,280	52,930

7. TENEMENT SECURITY DEPOSITS

	2022 \$	2021 \$
Cash at bank – bank deposits	20,000	20,000
	20,000	20,000

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (Note: 18).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

8. PROPERTY, PLANT AND EQUIPMENT

	Plant & equipment \$	Total \$
Year ended 30 June 2021		
Opening net book amount	1,335	1,335
Additions	-	-
Depreciation expense	(799)	(799)
Closing net book amount	536	536
At 30 June 2021		
Cost	44,209	44,209
Accumulated depreciation	(43,673)	(43,673)
Net book amount	536	536
Year ended 30 June 2022		
Opening net book amount	536	536
Additions	1,749	1,749
Depreciation expense	(493)	(493)
Closing net book amount	1,792	1,792
At 30 June 2022		
Cost	45,958	45,958
Accumulated depreciation	(44,166)	(44,166)
Net book amount	1,792	1,792

9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2022 \$	2021 \$
Costs brought forward	3,510,065	3,158,721
Costs incurred during the period	690,077	351,344
Expenditure written during the period	(13,480)	-
Costs carried forward	4,186,662	3,510,065
Exploration expenditure costs carried forward are made up of:		
Expenditure on joint venture areas	-	-
Expenditure on non joint venture areas	4,186,662	3,510,065
Costs carried forward	4,186,662	3,510,065

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 2. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

10. PAYABLES – CURRENT LIABILITIES

	2022 \$	2021 \$
Trade creditors	150,612	55,905
Accrued expenses	80,841	41,843
	231,453	97,748

11. CONTRIBUTED EQUITY

	2022 \$	2021 \$
(a) Share capital		
994,436,687 fully paid ordinary shares (2021: 745,231,820) Fully paid ordinary shares carry one vote per share and carry the right to dividends.	22,818,840	18,262,715
Share issue costs	(1,307,378)	(1,055,031)
	21,511,462	17,207,684

	Number	\$
Movements in ordinary shares on issue		
At 1 July 2020	411,900,378	15,843,203
Shares issued	333,331,442	2,419,512
At 30 June 2021	745,231,820	18,262,715
Shares issued (i) (ii) (iii) (iv)(v)(vi)(vii)(viii)	249,204,867	4,556,125
At 30 June 2022	994,436,687	22,818,840

- (i) The Company issued 109,500,000 shares at \$0.023 each under share placement on 23 September 2021.
- (ii) The Company issued 45,500,000 shares at \$0.023 each under share placement to Ya Hua International Investment on 21 October 2021.
- (iii) The Company issued 6,666,666 shares at \$0.015 each in payment of consulting services on 10 December 2021.
- (iv) The Company issued 24,500,000 shares on 24 January 2022 on the exercise of the Performance Rights at nil cash consideration approved by shareholders at AGM on 7 December 2021.
- (v) The Company issued 1,183,431 shares at \$0.017 each on 28 February 2022 as part of the Option Fee in acquiring Trigg Hill Lithium Tantalum Project approved by shareholders at AGM on 7 December 2021.
- (vi) The Company issued 50,804,770 shares on exercise of \$0.012 options expiring on 31 January 2023.
- (vii) The Company issued 4,050,000 shares on exercise of \$0.040 options expiring on 30 September 2023.
- (viii) The Company issued 7,000,000 shares on exercise of \$0.0142 options expiring on 12 May 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(b) Options

Date	Number of options	Exercise price	Expiry date	Vested and exercisable at end of the year number	Weighted average exercise price	
<i>Listed</i>						
At 1 July 2021	155,773,193	\$0.012	31 Jan 23	155,773,193	\$0.0120	
23 September 2021	21,900,000	\$0.012	31 Jan 23	21,900,000	\$0.0120	(a)
21 October 2021	9,100,003	\$0.012	31 Jan 23	9,100,003	\$0.0120	(b)
23 August 2021 to 11 April 2022	(50,804,770)	\$0.012	31 Jan 23	(50,804,770)	\$0.0120	(c)
At 30 June 2022	135,968,426	\$0.012	31 Jan 23	135,968,426		
<i>Unlisted</i>						
At 1 July 2021	23,000,000	\$0.0142	12 May 23	23,000,000	\$0.0142	
19 November 2021	(7,000,000)	\$0.0142	12 May 23	(7,000,000)	\$0.0074	(d)
09 December 2021	24,500,000	-	08 Dec 24	24,500,000	\$0.0220	(e)
10 December 2021	25,000,000	\$0.0400	30 Sep 23	25,000,000	\$0.0220	(f)
23 December 2021	1,500,000	\$0.0800	07 Dec 23	1,500,000	\$0.0220	(g)
24 December 2021	(2,250,000)	\$0.0400	30 Sep 23	(2,250,000)	\$0.0074	(h)
24 January 2022	(24,500,000)	-	08 Dec 24	(24,500,000)	\$0.0074	(i)
11 April 2022	(1,800,000)	\$0.0400	30 Sep 23	(1,800,000)	\$0.0074	(j)
At 30 June 2022	38,450,000			38,450,000	\$0.0308	

- (a) Allot of options to sophisticated and professional investors of two options for every one share issued under share placement on 23 September 2021.
- (b) Allot of options to Ya Hua International Investment of one option for every five shares issued under share placement.
- (c) Exercise of 50,804,770 options at \$0.012 each expiring on 31 January 2023.
- (d) Exercise of 7,000,000 Directors options at \$ \$0.0142 each expiring on 12 May 2023.
- (e) Allot of 24,500,000 options to Directors and consultants under Performance Rights at nil cash consideration approved by shareholders at the AGM on 7 December 2021.
- (f) Allot of 25,000,000 options exercisable at \$0.04 each as part of the Lead Manager fees under Manager Options approved by shareholders at the AGM on 7 December 2021.
- (g) Allot of 1,500,000 options exercisable at \$0.08 each under Employee Incentive Scheme approved by shareholders at the AGM on 7 December 2021.
- (h) Exercise of 2,250,000 options at \$0.04 each under Lead Manager Options expiring on 30 September 2023.
- (i) Exercise of 24,500,000 options at nil cash consideration under Performance Rights expiring on 8 December 2024.
- (j) Exercise of 1,800,000 options at \$0.04 each under Lead Manager Options expiring on 30 September 2023.

Terms and Conditions of Contributed Equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Options

Options do not carry voting rights or rights to dividend until options are exercised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

12. RESERVES/SHARE-BASED PAYMENTS

Reserves

	2022 \$	2021 \$
Balance at 1 July	201,472	-
Share-based payment expense during the financial year	2,322,226	199,472
Exercised of employee share option value transferred to accumulated losses	(1,594,315)	-
Underwriter options offer	2,500	2,000
Balance at 30 June	931,883	201,472

The share-based payment plans are described below. There have been no cancellations or modifications to any of the plans during 2022 and 2021.

Types of Share-Based Payment Plans

Share-Based Payments

An Employee Share Option Plan (ESOP) has been established where selected officers and employees of the Company can be issued with options over ordinary shares in Eastern Resources Limited. The options, issued for nil consideration, will be issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX.

Summary of Options Granted By The Parent Entity

	2022 no.	2021 no.
Outstanding at the beginning of the year	43,000,000	-
Granted during the year	51,000,000	43,000,000
Exercised during the year	(35,550,000)	-
Outstanding at the end of the year	58,450,000	43,000,000

Option Pricing Model and Terms of Options

The following table lists the inputs to the options model and the terms of options granted:

Grant date	Number of options issued	Exercise price	Expiry date	Expected volatility	Risk-free rate	Expected life years	Estimated fair value	Model used
Jan 21	23,000,000	\$0.0142	12 May 23	100.00%	1.00%	2.3	\$0.0047	Binomial (a)
Apr 21	20,000,000	\$0.0120	31 Jan 23	100.00%	1.00%	1.8	\$0.0045	Binomial (b)
Dec 21	25,000,000	\$0.0400	30 Sep 23	100.00%	0.975%	1.8	\$0.0345	Binomial (c)
Dec 21	1,500,000	\$0.0800	7 Dec 23	100.00%	0.975%	2.0	\$0.0260	Binomial (d)
Dec 21	24,500,000	-	8 Dec 24	100.00%	0.975%	3.0	\$0.0580	Binomial (e)

- (a) There were 21,000,000 options issued to Directors, 1,000,000 to Company Secretary and 1,000,000 as part of a consultancy agreement for services provided. These options were approved by shareholders at the General Meeting held on 13 April 2021.
- (b) There were 20,000,000 options issued to Joint Lead Managers associated with capital raising approved by shareholders at the General Meeting held on 13 April 2021.
- (c) There were 25,000,000 options issued as part of the Lead Manager fees under Manager Options approved by shareholders at the AGM on 7 December 2021.
- (d) There were 1,500,000 options issued under Employee Incentive Scheme approved by shareholders at the AGM on 7 December 2021.
- (e) There were 24,500,000 options issued to Directors and consultants under Performance Rights at nil cash consideration approved by shareholders at the AGM on 7 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

The options vested on grant date.

Weighted average disclosures on options

	2022	2021
Weighted average exercise price of options at 1 July	\$0.0132	-
Weighted average exercise price of options granted during period	\$0.0220	\$0.0132
Weighted average exercise price of options outstanding at 30 June	\$0.0244	\$0.0132
Weighted average exercise price of options exercisable at 30 June	\$0.0244	\$0.0132
Weighted average contractual life	0.85 years	1.74 years
Range of exercise price	\$0.012 - \$0.0800	\$0.012- \$0.0142

13. EARNINGS PER SHARE

	2022	2021
Net profit/(loss) used in calculating basic and diluted gain/(loss) per share	(2,981,603)	(592,397)
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	906,292,481	518,309,309
	Cents per share	Cents per share
Basic earnings (loss) per share	(0.33)	(0.11)
Diluted earnings (loss) per share	(0.33)	(0.11)

14. KEY MANAGEMENT PERSONNEL

Key Management Personnel Compensation

The aggregate compensation made to key management personnel of the Company is set out below:

	2022 \$	2021 \$
Short term employee benefits	417,837	243,683
Share based payments	1,288,980	104,406
	1,706,817	348,089

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Shareholdings of Key Management Personnel

Fully paid ordinary shares held in Eastern Resources Limited

	Balance at start of the year/on appointment.	Granted as compensation during the year	Additions	Net other change	Balance at the end of the year/on vacating office
2022					
A King	-	-	6,300,000	-	6,300,000
M Fang	87,500	-	13,666,666	-	13,754,166
J Hou (i)	-	-	7,000,000	-	7,000,000
T Taylor (ii)	11,904,767	-	-	-	11,904,767
Total	11,992,267	-	26,966,666	-	38,958,933
2021					
A King	-	-	-	-	-
M Fang	70,000	-	17,500	-	87,500
T Taylor	11,904,767	-	-	-	11,904,767
Total	11,974,767	-	17,500	-	11,992,267

(i) Mr J Hou appointed as Non-Executive Director on 27 September 2021

(ii) Ms T Taylor resigned as Non- Executive Director on 27 September 2021

Option Holdings of Key Management Personnel

Share options held in Eastern Resources Limited

	Balance at start of the year/on appointment	Granted as compensation during the year	Issued during the year	Exercised during the year	Expired During the year	Balance at the end of the year/on vacating office	Balance vested at the end of the year/on vacating office	Vested but not exercise-able at the end of the year/on vacating office	Vested and exercisable at the end of the year/on vacating office	Options vested during year
2022										
Listed										
A King	-	-	-	-	-	-	-	-	-	-
M Fang	8,750	-	-	-	-	8,750	8,750	-	8,750	-
J Hou	-	-	-	-	-	-	-	-	-	-
T Taylor	-	-	-	-	-	-	-	-	-	-
Total	8,750	-	-	-	-	8,750	8,750	-	8,750	-
Unlisted										
A King	7,000,000	6,300,000	-	(6,300,000)	-	7,000,000	7,000,000	-	7,000,000	6,300,000
M Fang	7,000,000	7,000,000	-	(7,000,000)	-	7,000,000	7,000,000	-	7,000,000	7,000,000
J Hou (i)	1,000,000	7,000,000	-	(7,000,000)	-	1,000,000	1,000,000	-	1,000,000	7,000,000
T Taylor (ii)	7,000,000	-	-	-	-	7,000,000	7,000,000	-	7,000,000	-
I White (iii)	1,000,000	1,500,000	-	(1,000,000)	-	1,500,000	1,500,000	-	1,500,000	1,500,000
Total	23,000,000	21,800,000	-	(21,300,000)	-	23,500,000	23,500,000	-	23,500,000	21,800,000

(i) Mr J Hou appointed as Non-Executive Director on 27 September 2021

(ii) Ms T Taylor resigned as Non- Executive Director on 27 September 2021

(iii) Mr I White resigned as Company Secretary on 14 February 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	Balance at start of the year/on appointment	Granted as compensation during the year	Issued during the year	Exercised during the year	Expired during the year	Balance at the end of the year/on vacating office	Balance vested at the end of the year/on vacating office	Vested but not exercisable at the end of the year/on vacating office	Vested and exercisable at the end of the year/on vacating office	Options vested during year
2021										
Listed										
A King	-	-	-	-	-	-	-	-	-	-
M Fang	-	-	8,750	-	-	8,750	8,750	-	8,750	8,750
T Taylor	-	-	-	-	-	-	-	-	-	-
Total	-	-	8,750	-	-	8,750	8,750	-	8,750	8,750
Unlisted										
A King	-	7,000,000	-	-	-	7,000,000	7,000,000	-	7,000,000	7,000,000
M Fang	-	7,000,000	-	-	-	7,000,000	7,000,000	-	7,000,000	7,000,000
T Taylor	-	7,000,000	-	-	-	7,000,000	7,000,000	-	7,000,000	7,000,000
I White	-	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000	1,000,000
Total	-	22,000,000	-	-	-	22,000,000	22,000,000	-	22,000,000	22,000,000

15. RELATED PARTY DISCLOSURES

Subsidiaries

The consolidated financial statements include the financial statements of Eastern Resources Limited (the Parent Entity) and the following subsidiaries:

Name	Country of incorporation	% Equity interest	
		2022	2021
Queensland Iron Pty Ltd	Australia	100	100
Gippsland Iron Pty Ltd	Australia	100	100
EFE Yongxing Pty Ltd	Australia	60	-

16. AUDITORS' REMUNERATION

	2022 \$	2021 \$
Audit of the Company's accounts	29,000	27,300
	29,000	27,300

17. FINANCIAL REPORT BY SEGMENT

The operating segments identified by management are as follows:

Exploration Projects Funded Directly by Eastern Resources 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 9 of this 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 9.

Financial information about each of these tenements is reported to the Board as a whole, 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

- 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.

18. CONTINGENT LIABILITIES

The Company has provided guarantees totalling \$20,000 in respect of an exploration tenement in Victoria. This guarantee in respect of an exploration tenement is secured against deposits with Victorian Department of Economic Development, Jobs, Transport and Resources with a banking institution. The Company does not expect to incur any material liability in respect of the guarantees.

19. FINANCIAL INSTRUMENTS

The Board as a whole is responsible for reviewing the Company's policies on risk oversight and management and satisfying itself that Senior Management have developed and implemented a sound system of risk management and internal control. The Company's risk management policy has been designed to identify, assess, monitor and manage material business risks to ensure effective management of risk. These policies are reviewed regularly to reflect material changes in market conditions and the Company's risk profile.

The main risks identified in the Company's financial instruments are capital risk, credit risk, liquidity risk, interest rate risk and commodity price risk. Summarised below is information about the Company's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, the management of capital and financial instruments.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company. In order to achieve this objective, the Company seeks to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs.

The Board ensures costs are not incurred in excess of available funds and will seek to raise additional funding through the issue of shares for the continuation of the Company's operations when required.

The Company considers its capital to comprise of its ordinary share capital, option reserve and accumulated losses. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

Financial Risk Management Objectives

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board, through the Audit Committee, has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Company's risk management policies and objectives are designed to avoid exposure to, and minimise the potential impacts of these risks on the results of the Company where such impacts may be material. The Board receives regular reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. These risks include credit risk, liquidity risk, interest rate risk and commodity price risk. The Company does not use derivative financial instruments to hedge these risk exposures.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these risks are set out below.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

The Company mitigates credit risk on cash and cash equivalents by dealing with banks that have high credit ratings assigned by Standard and Poors. There are two counterparties for Cash and Cash equivalents which are Commonwealth Bank and Bank of Western Australia Limited. Credit risk of receivables is low as it consists predominantly of GST recoverable from the Australian Taxation Office and interest receivable from deposits held with regulated banks.

The maximum exposure to credit risk at balance date is as follows:

	2022 \$	2021 \$
Cash and cash equivalents	4,609,889	1,495,886
Receivables	43,280	52,930
Deposits with Government Departments and banks	20,000	20,000
	4,673,169	1,568,816

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity risk rests with the Board of Directors, who have built an appropriate risk management framework for the management of the Company's short, medium and long-term funding and liquidity requirements. The Company manages liquidity by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's contractual maturities of financial liabilities:

Financial liabilities	Carrying amount \$	<12 months \$	1-3 years \$	>3 years \$
2022				
Payables	231,453	231,453	-	-
Other liabilities	1,600	1,600	-	-
	233,053	233,053	-	-
2021				
Payables	97,748	97,748	-	-
	97,748	97,748	-	-

The following table details the Company's expected maturity for financial assets:

Financial assets	Carrying amount \$	<12 months \$	1-3 years \$	>3 years \$
2022				
Cash at bank and term deposits	4,609,889	4,609,889	-	-
Receivables	43,280	43,280	-	-
Deposits with banks and Government Departments	20,000	-	-	20,000
	4,673,169	4,653,169	-	20,000
2021				
Cash at bank and term deposits	1,495,886	1,495,886	-	-
Receivables	52,930	52,930	-	-
Deposits with banks and Government Departments	20,000	-	20,000	-
	1,568,816	1,548,816	20,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Interest Rate Risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's cash holdings and short term deposits. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

At balance date, the Company was exposed to floating weighted average interest rates as follows:

	2022 \$	2021 \$
Weighted average rate of cash balances	0.01%	0.01%
Cash balances	4,609,889	1,495,886
Weighted average rate of term deposits	-	-
Term deposits	-	-

The Company invests surplus cash in interest-bearing term deposits with financial institutions and in doing so it exposes itself to the fluctuations in interest rates that are inherent in such a market. Term deposits are normally invested between 30 to 365 days and other cash at bank balances are at call.

The Company's exposure to interest rate risk is set out in the table below:

Sensitivity analysis	Carrying amount	+1.0% of AUD IR		-1.0% of AUD IR	
		Profit \$	Other equity \$	Profit \$	Other equity \$
2022					
Cash and cash equivalents	4,609,889	46,099	-	(46,099)	-
Tax charge of 25.0%	-	(11,525)	-	11,525	-
After tax profit increase/(decrease)	4,609,889	34,574	-	(34,574)	-
2021					
Cash and cash equivalents	1,495,886	14,959	-	(14,959)	-
Tax charge of 27.5%	-	(4,114)	-	4,114	-
After tax profit increase/(decrease)	1,495,886	10,845	-	(10,845)	-

The above analysis assumes all other variables remain constant.

Commodity Price Risk

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Company does not hedge its exposures.

Net Fair Value Of Financial Assets and Liabilities

The carrying amount of financial assets and liabilities of the Company approximate their net fair values, given the short time frames to maturity and or variable interest rates.

20. COMMITMENTS

Licence Expenditure Requirements

In order to maintain the Company's tenements in good standing with the various mines departments, the Company will be required to incur expenditure under the terms of each licence. As at 30 June 2022 the Company holds one exploration licence, one exploration licence application and one retention licence application in Victoria. There is no expenditure requirement for title applications.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
Payable not later than one year	358,668	42,349
Payable later than one year but not later than two years	324,998	27,651
Payable later than two years but not later than three years	350,000	7,200
Payable later than three years but not later than four years	325,002	-
Payable later than four years but not later than five years	200,002	-
Payable later than five years but not later than six years	58,332	-
Payable later than six years but not later than seven years	24,996	-
	1,641,998	77,200

It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Company from time to time. These commitments can be negotiated.

21. STATEMENT OF CASH FLOWS

	2022 \$	2021 \$
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
(a) Operating (loss) after income tax	(2,981,603)	(592,397)
(b)		
Depreciation	492	799
Exploration and evaluation expenditure written off	13,480	-
Share-based payments	2,322,226	199,472
Change in assets and liabilities:		
Decrease/(Increase) in receivables	9,650	(37,401)
Increase/Decrease in trade and other creditors	121,153	4,588
Net cash outflow from operating activities	(514,602)	(424,939)
(c) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.		
The balance at 30 June comprised:		
Cash assets	4,609,889	1,495,886
Cash on hand	4,609,889	1,495,886

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

22. PARENT ENTITY INFORMATION

	2022 \$	2021 \$
Current assets	4,653,021	1,548,669
Total assets	14,819,041	11,026,501
Current liabilities	233,053	97,748
Total liabilities	233,053	97,748
Issued capital	21,511,462	17,207,684
Accumulated losses	(7,857,357)	(6,480,403)
Share based payment reserve	931,883	201,472
Total shareholders' equity	14,585,988	10,928,753
Profit/(loss) of the parent entity	(2,971,269)	(591,511)
Total comprehensive income/(loss) of the parent entity	(2,971,269)	(591,511)

23. EVENTS AFTER THE BALANCE SHEET DATE

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2022 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 the following:

- On 19 September 2022, the Company announced that it has exercised the Trigg Hill Project option (ref ASX:EFE 4 August 2021). Under the Trigg Hill Option Agreement, the Company must now pay \$250,000 cash and issue \$500,000 in Company shares to the vendor, Amery Holdings Pty Ltd ("Amery") in order to acquire the Project. Additionally, Amery retains a net smelter royalty of 1.5% on all minerals produced from the Project.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Eastern Resources Limited, I state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Group financial position as at 30 June 2022 and of its performance for the year ended on that date.
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and
- (c) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (d) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

On behalf of the Board



Ariel Edward King

Chairman

20 September 2022

Independent Auditor's Report

To the members of Eastern Resources Limited,

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Eastern Resources Limited (the company and its subsidiaries) ("the Group"), which comprises the consolidated statements of financial position as at 30 June 2022, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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standard terms of
engagement.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Capitalised Deferred Exploration and Evaluation Expenditure \$4.2 million Refer to Note 9	
<p>The consolidated entity owns the rights to exploration licenses in Victoria. Expenditure relating to these areas is capitalised and carried forward to the extent they are expected to be recovered through the successful development of the respective area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.</p> <p>This area is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the balance; • The inherent uncertainty of the recoverability of the amount involved; and • The substantial amount of audit work performed. 	<p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> • Assessing whether any facts or circumstances exist that may indicate impairment of the capitalised assets; • Performing detailed testing of source documents to ensure capitalised expenditure was allocated to the correct area of interest; • Performing detailed testing of source documents to ensure expenditure was capitalised in accordance with Australian Accounting Standards; • Obtaining external confirmations to ensure the exploration licences are current and accurate; and • Assessing the reasonableness of the capitalisation of directors' fees.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Eastern Resources Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDJ Partners



Gregory Cliffe
Partner

20 September 2022

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SHAREHOLDER INFORMATION

AS AT 12 SEPTEMBER 2022

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 12 September 2022.

Ordinary Shares

There are 1,006,730,700 fully paid ordinary shares on issue.

Substantial shareholders	Shareholding	%
Citicorp Nominees Pty Limited	148,221,568	14.72
Yahua International and Development Co. Ltd	45,000,000	5

Top 20 holders of ordinary shares	Number	%
CITICORP NOMINEES PTY LIMITED	148,221,568	14.72
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	49,891,539	4.96
YA HUA INTL INV AND DEVELOPMENT CO LTD	45,500,000	4.52
MR YIBING JIAN	17,500,000	1.74
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	17,193,776	1.71
FUNDMAX PTY LTD	13,666,666	1.36
PLANNING & PROPERTY PARTNERS PTY LTD	11,413,003	1.13
CAJ PTY LTD	11,400,881	1.13
MR VICTOR MENSCHIKOV	10,000,000	0.99
MR MAREK RISTWEJ	9,450,718	0.94
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	8,979,905	0.89
MR CHRIS CARR & MRS BETSY CARR	8,500,000	0.84
NEXT STREET PTY LTD <JISM FAMILY A/C>	7,000,000	0.70
MR YONG HONG ZHOU	5,350,000	0.53
MR LEI LIU	5,298,934	0.53
MR XIAOCHEN LIU	5,287,645	0.53
ZAMMIT SUPPORT SERVICES PTY LTD	5,000,000	0.50
MR MASSIMO RAIOLA	4,746,424	0.47
HAWKSBURN CAPITAL PTE LTD <METHUSELAH STRATEGIC FND A/C>	4,386,186	0.44
KING CORPORATE PTY LTD	4,200,000	0.42
Total of top 20 holdings	392,987,245	39.04
Other holdings	613,743,455	60.96
Total ordinary shares	1,006,730,700	100.00

Distribution of shareholders			
Range	No of shareholders	Shares	%
1-1,000	65	16,103	0.00
1,001-5,000	58	183,743	0.02
5,001-10,000	313	2,646,224	0.26
10,001-100,000	1,974	86,664,790	8.61
100,001-9,999,999,999	1,122	917,219,840	91.11
Totals	3,532	1,006,730,700	100.00

SHAREHOLDER INFORMATION

AS AT 12 SEPTEMBER 2022

Top 20 holders of listed options -\$0.012 expiring 31 January 2023	Number	%
MR ADAM WILLIAM CONNON & MRS BELINDA ANN CONNON	15,504,759	12.54
YA HUA INTL INV AND DEVELOPMENT CO LTD	9,100,000	7.36
MR VICTOR MENSCHIKOV	6,000,000	4.85
MR YIBING JIAN	4,512,500	3.65
MRS SRADDHA NITESHKUMAR PATEL	3,661,585	2.96
MR YAN LI	3,125,000	2.53
MR JOHN GIARDINA	3,000,000	2.43
MR NEIL WELSH	3,000,000	2.43
ADAM AND BELINDA CONNON PTY LTD <ADAM&BELINDA CONNON SF A/C>	2,556,698	2.07
MR JOHN CLIFFORD GOULDING & MRS CAROL ANN GOULDING	2,000,000	1.62
HALIFAX LIMITED	2,000,000	1.62
SKYE HOLDINGS PTY LTD	2,000,000	1.62
MR VYSIENG CHOPRASERT	1,750,000	1.42
MR JAMES D. W. TAYLOR & MRS ERIN A. TAYLOR <TAYLOR SUPER FUND>	1,600,000	1.29
MRS JUAN ZHOU	1,580,163	1.28
MR MICHAEL HOWE	1,345,373	1.09
ADCOT PTY LTD <THE ADCOT SUPER FUND A/C>	1,300,000	1.05
MR DAVID MOUSSA BESHAY	1,193,396	0.96
MR BASSAM FADDOUL & MRS ADAL FADDOUL	1,158,719	0.94
MR ANDREW JAMES WILKINSON & MRS JACKALYN JUNE WILKINSON	1,100,000	0.89
Total of top 20 holdings	67,488,193	54.57
Other holdings	56,186,145	45.43
Total ordinary shares	123,674,338	100.00

Distribution of listed options -\$0.012 expiring 31 January 2023			
Range	No of shareholders	Shares	%
1-1,000	19	6,117	0.00
1,001-5,000	15	29,742	0.02
5,001-10,000	20	149,887	0.12
10,001-100,000	113	5,056,761	4.09
100,001-9,999,999,999	143	118,431,831	95.76
Totals	310	123,674,338	100.00

SHAREHOLDER INFORMATION

AS AT 12 SEPTEMBER 2022

Top holders unlisted options - \$0.04 expiring 30 September 2023	Number	%
C G NOMINEES (AUSTRALIA) PTY LTD	10,000,000	47.73
ZACHELLA PTY LTD <THE RIPPER SUPER FUND A/C>	8,700,000	41.53
CPS CAPITAL GROUP PTY LTD	2,250,000	10.74
Total unlisted options	20,950,000	100.00

Distribution of unlisted options - \$0.04 expiring 30 September 2023			
Range	No of optionholders	Options	%
1-1,000	0	0	0.00
1,001-5,000	0	0	0.00
5,001-10,000	0	0	0.00
10,001-100,000	0	0	0.00
100,001-9,999,999,999	3	20,950,000	100.00
Totals	3	20,950,000	100.00

Top holders unlisted options - \$0.0142 expiring 12 May 2023	Number	%
KING CORPORATE PTY LTD	7,000,000	43.75
RUI FANG	7,000,000	43.75
IAN KEITH WHITE	1,000,000	6.25
JASON HOU	1,000,000	6.25
Total unlisted options	16,000,000	100.00

Distribution of unlisted options - \$0.0142 expiring 12 May 2023			
Range	No of optionholders	Options	%
1-1,000	0	0	0.00
1,001-5,000	0	0	0.00
5,001-10,000	0	0	0.00
10,001-100,000	0	0	0.00
100,001-9,999,999,999	4	16,000,000	100.00
Totals	4	16,000,000	100.00

SHAREHOLDER INFORMATION

AS AT 12 SEPTEMBER 2022

Top holders unlisted employee share options - \$0.08 expiring 2 years date of issue	Number	%
IAN KEITH WHITE	500,000	33.33
GREG DE ROSS & ASSOCIATES PTY LTD	500,000	33.33
AMERY HOLDINGS PTY LTD	500,000	33.33
Total unlisted options	1,500,000	100.00

Distribution of unlisted employee share options - \$0.08 expiring 2 years date of issue			
Range	No of optionholders	Options	%
1-1,000	0	0	0.00
1,001-5,000	0	0	0.00
5,001-10,000	0	0	0.00
10,001-100,000	0	0	0.00
100,001-9,999,999,999	3	1,500,000	100.00
Totals	3	1,500,000	100.00

Voting Rights

There are no restrictions on voting rights. On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof.

Quoted and unquoted options carry no voting rights.

Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's website at:

www.easternresources.com.au/corporate/corporate-governance.

Other

There are 798 shareholders with less than a marketable parcel of shares.

There is no current on-market buy-back.



Corporate Directory

Board of Directors

Ariel Edward King
Non-Executive Chairman

Myles Fang
Executive Director

Jason Hou
Non-Executive Director

Company Secretary

Heath Roberts

Principal and Registered Office

Level 1, 80 Chandos Street
St Leonards, NSW 2065
T: +61 2 9906 7551
info@easternresources.com.au
www.easternresources.com.au

ASX Share Register

Boardroom Pty Limited
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Sydney, NSW 2001
T: +61 2 9290 9600
www.boardroomlimited.com.au

Auditors

BDJ Partners
Level 8, 124 Walker Street
North Sydney NSW 2060

Securities Exchange Listing

Australian Securities Exchange
ASX Code: EFE



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