



**EASTERN
METALS**

ASX Announcement

ASX:EMS

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Sydney NSW 2000

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29 April 2024

ASX:EMS

ACN 643 902 943

CAPITAL STRUCTURE

Share Price: A\$0.034

Cash: A\$1.1M

Debt: Nil

Ordinary Shares: 82.4M

Market Cap: A\$2.80M

Enterprise Value: A\$1.7M

Options:

26.6M (3years/30c)

20.3M (3years/10c)

BOARD OF DIRECTORS

Bob Duffin

Non-Executive Chairman

Mark Dugmore

Independent Non-Executive Director

Ian White

Independent Non-Executive Director

Dr Jason Berton

Independent Non-Executive Director

CHIEF EXECUTIVE OFFICER

Ley Kingdom

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Ian Morgan

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MARCH 2024 QUARTERLY ACTIVITIES REPORT

Eastern Metals to fast-track copper exploration in the NT as it continues to progress and de-risk its Cobar Project in NSW

HIGHLIGHTS

Arunta Project, NT

- Exploration activities at the **Home of Bullion copper deposit (3.1Mt @ 2.9% CuEq)** to be fast-tracked in light of the significant increase in the copper price during the Quarter and robust copper market outlook
- Copper prices have recently increased to multi-year highs, with surging demand driven by its vital role in the global energy transition combined with an increasingly stressed supply pipeline
- SRK Consulting engaged to complete a structural review and interpretation and prepare an Exploration Target for Home of Bullion
- Mitre Geophysics engaged to review the extensive existing geophysical database inherited from the previous owner, Kidman Resources
- Planning for exploration activities during the June Quarter to incorporate the outcomes of these independent reviews

Cobar Project, NSW

- Ground magnetic survey completed over the 'Anomaly B' prospect within the Black Range tenement, north of Browns Reef
- Relocation of historic core from the Pineview property and rehabilitation of the site, as required under the access agreement with the landowner

Thomson Project, NSW

- Extensive historic drill core from 10-15 years ago accessed and reviewed

Eastern Metals CEO, Ley Kingdom, said: *"The Company has made the strategic decision to prioritise exploration at the advanced Home of Bullion copper project in light of surging interest in the copper sector driven by extremely favourable market fundamentals. Shareholders can look forward to significant news-flow in the June Quarter from this exciting project. That is not to downplay the value of our Cobar Project, which is now de-risked and ready for drilling with land access agreements and approvals in place."*

Eastern Metals Limited (**ASX: EMS**) ("**Eastern Metals**" or "**the Company**") is pleased to present its Quarterly Report for the period ending 31 March 2024 ("**Quarter**").

EXPLORATION UPDATE

ARUNTA PROJECT, NT

The Arunta Project, which is located in the Northern Territory, east of the Stuart Highway between Alice Springs and Tennant Creek near the township of Barrow Creek, comprises two groups of tenements, 'Neutral Junction' in the north and 'Adnera Hill' to the south.

The Company's core focus within the Arunta Project is the **Home of Bullion deposit** (EL23186), which hosts a **3.1 million tonne resource grading 2.9% CuEq¹**, Mulbangas and Prospect D. The locations of these tenements are shown in **Figure 1**. No field work was conducted in the March 2024 Quarter.

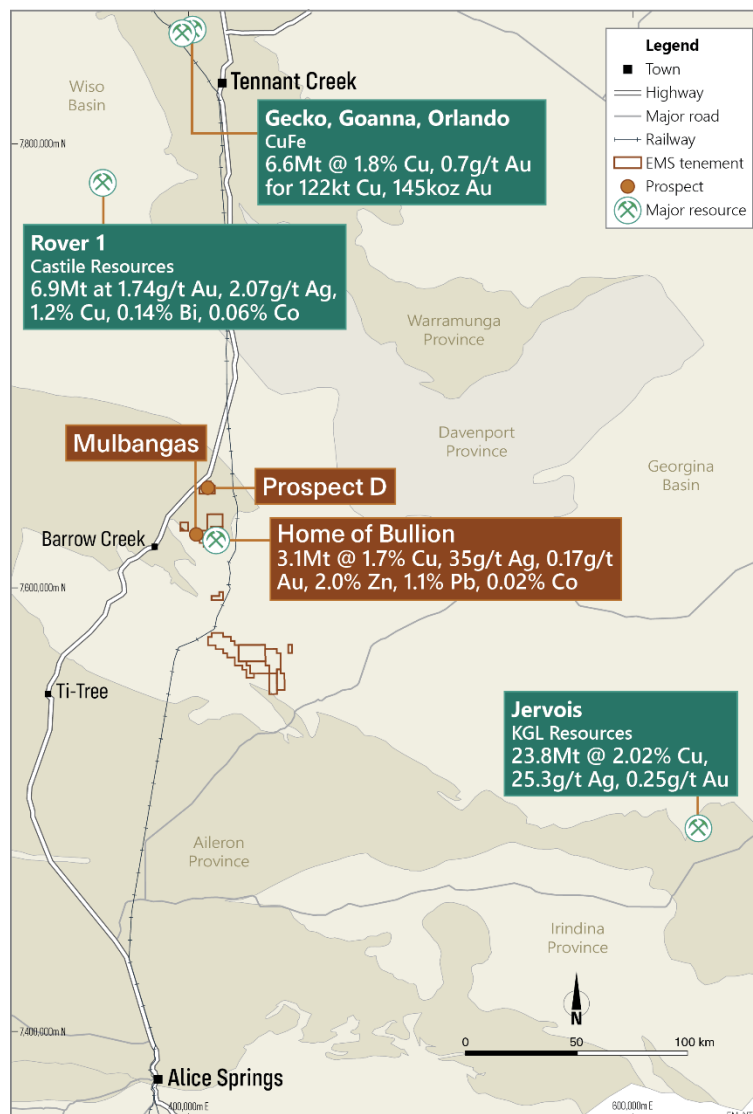


Figure 1: Location of the Company's Arunta Project tenements in the Northern Territory.²

¹ Refer to the Mineral Resources Holdings table on page 13 of this report for further details.

² Third party resource information extracted from each company's website, market announcements, presentations and reports lodged during the FY2024 period.

EL23186 Home of Bullion, EL32027

An updated Mineral Resource estimate (3.1 million tonnes, 2.9% CuEq) for the Home of Bullion copper deposit was released by the Company in the March 2023 Quarter.³

During the Quarter, Eastern Metals engaged SRK Consulting to undertake a structural review and interpretation of the Home of Bullion deposit.

Mitre Geophysics was also engaged to review the extensive existing geophysical dataset focusing on Home of Bullion and the Mulbongas prospect (EL32027), which will complement the structural review and aid target generation along the ~9km magnetic trend between Home of Bullion and Mulbongas (refer to **Figure 2**). Results from both reviews will be released as ASX announcements during the June 2024 Quarter.

A Mining Management Plan under the *Mining Management Act 2001* (NT) for drilling at Home of Bullion will be prepared and submitted to the regulator in anticipation of drilling activities in FY2025.

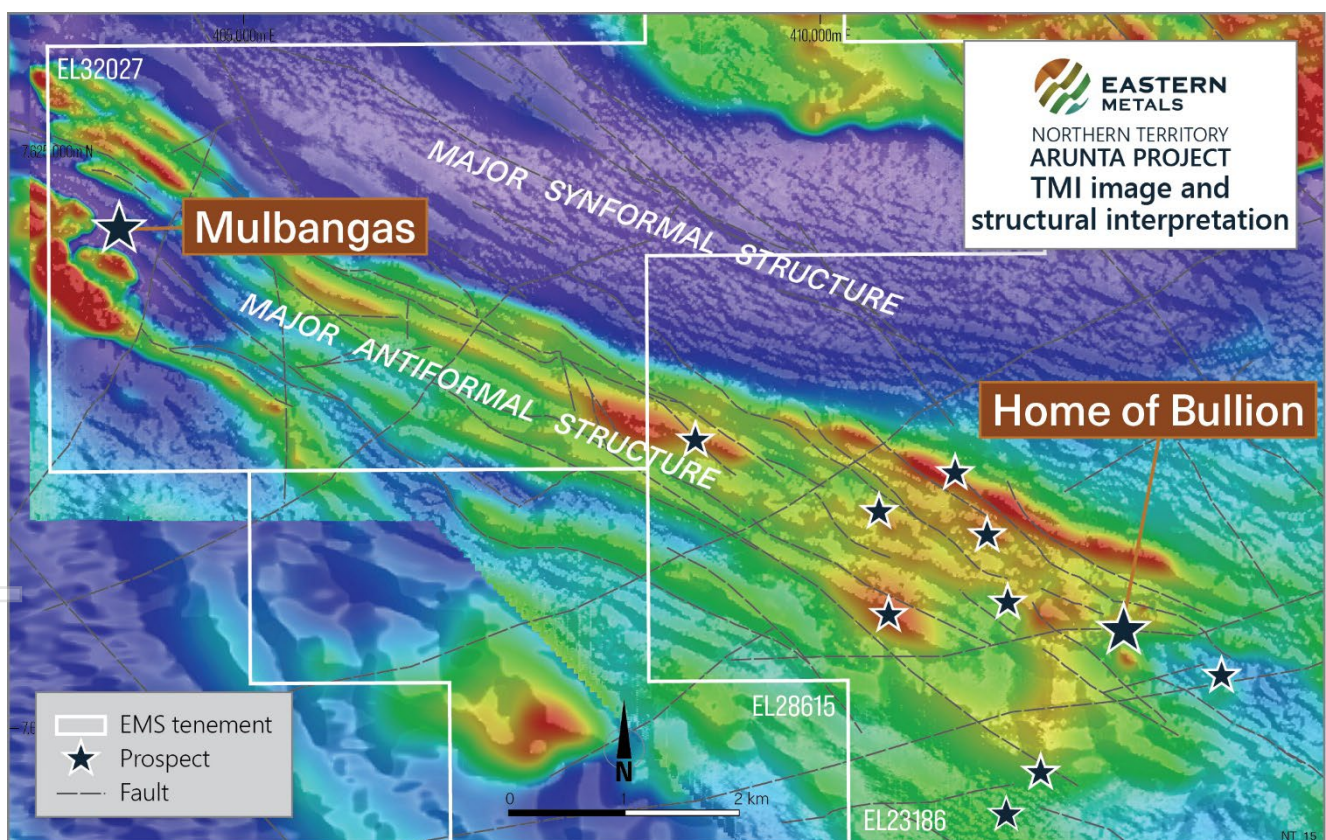


Figure 2: Basic structural interpretation of aeromagnetic data between Home of Bullion and the Mulbongas prospect to the north-west; adapted from John Stewart, PGN Geoscience, 2013.

³ Refer ASX EMS Announcements of 8 March 2023 and 10 March 2023, "Resource Grows at Home of Bullion Copper Project".

EL28615 Donkey Creek

A renewal application was lodged with the NT Department of Industry, Tourism and Trade on 28 August 2023. The application was approved by the regulator on 5 January 2024.

EL30797 Ooralingie

A renewal application was lodged with the NT Department of Industry, Tourism and Trade on 3 November 2023 and was approved on 7 March 2024.

COBAR PROJECT, NSW

Eastern Metals' focus within the 100%-owned Cobar Project in NSW is the Company's **Browns Reef zinc-lead-silver-copper-gold deposit (Figure 3)**.

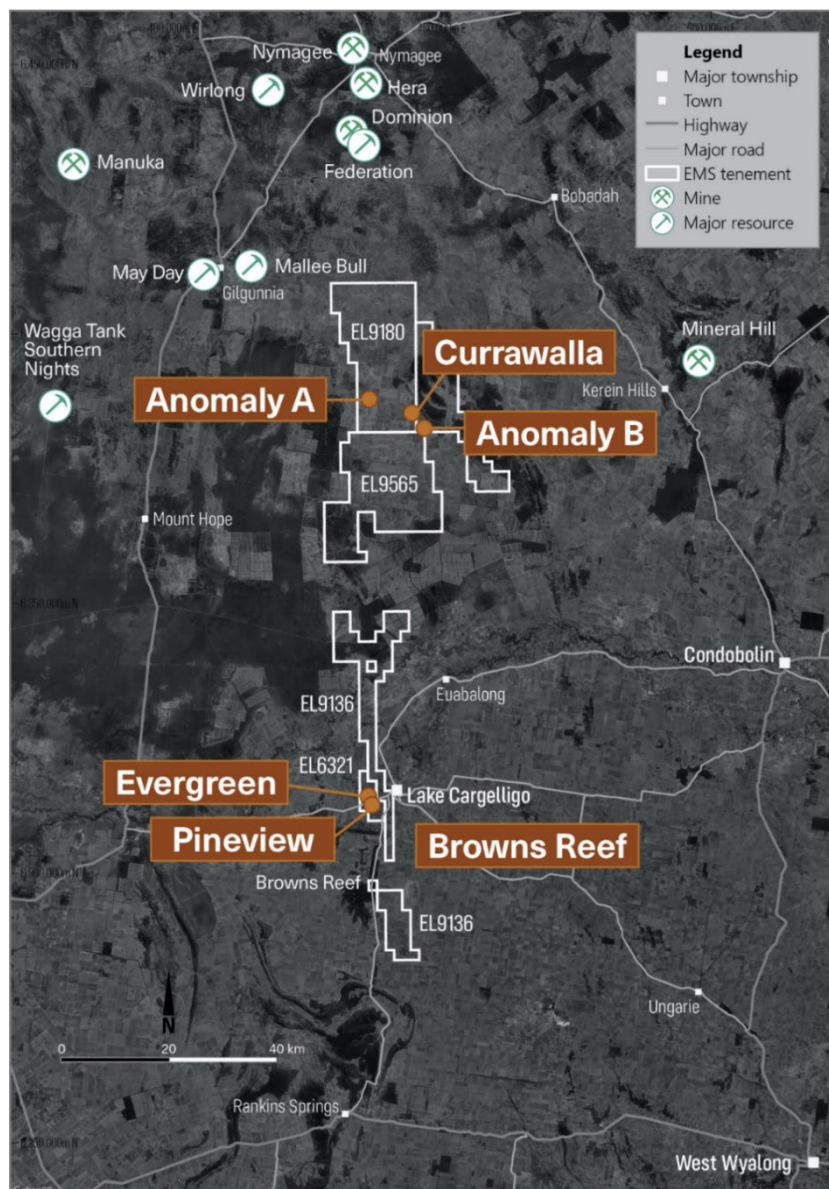


Figure 3: Location of tenements comprising the 100%-owned Cobar Project in NSW.

EL6321 Browns Reef

Browns Reef is a large, structurally controlled base metals system extending over a total strike length of about 6km with two higher-grade mineralised zones, Evergreen and Pineview (**Figure 4**).

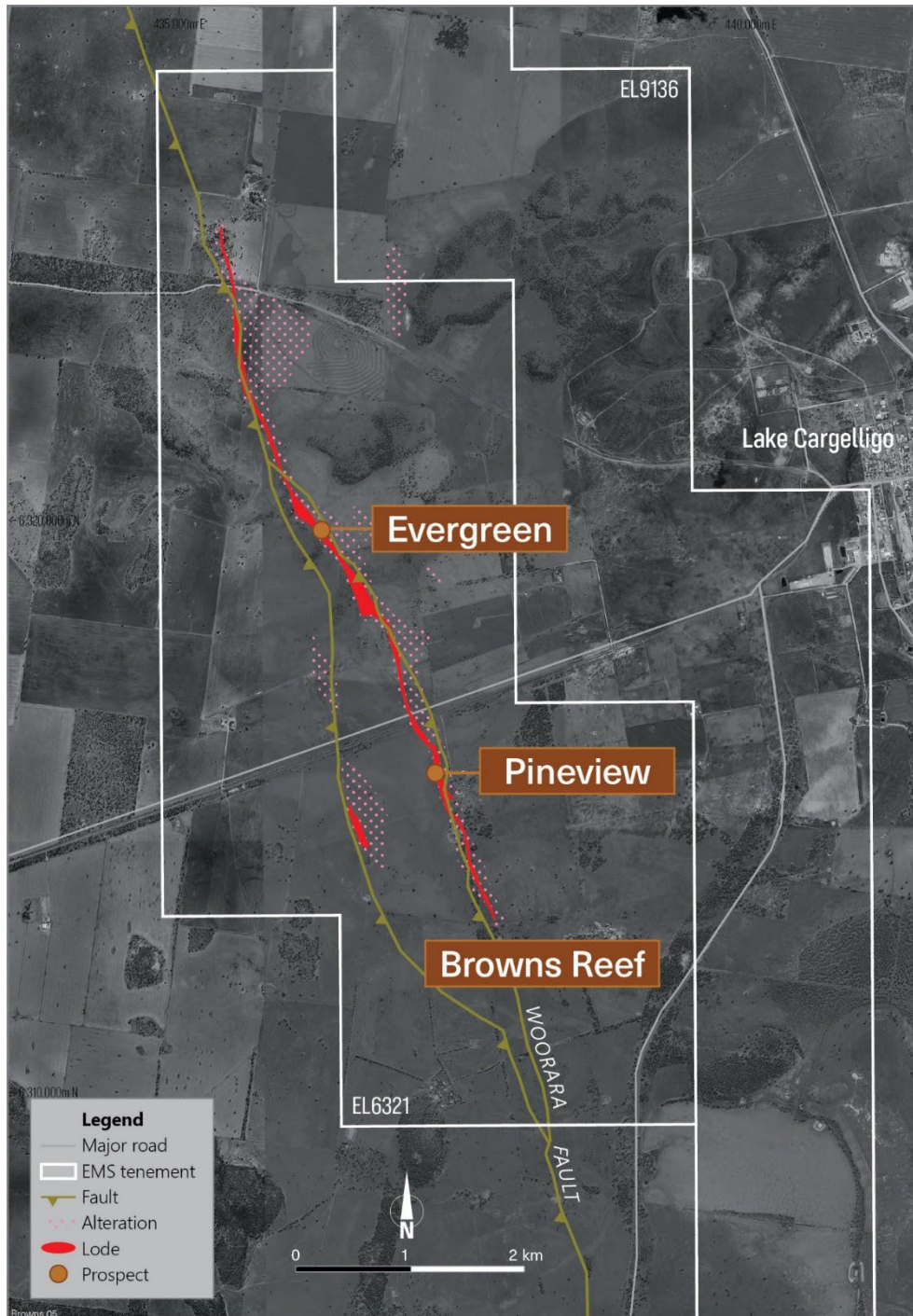


Figure 4: Browns Reef zinc-lead-silver-copper-gold deposit, part of Eastern Metals' 100%-owned Cobar Project in NSW.

A key land access and compensation agreement with the Pineview landowner was executed in November 2023⁴. The execution of this land access agreements represents a key de-risking step for the Cobar Project, allowing Eastern Metals to plan and execute ground-based exploration activities at Pineview.

A condition of the Pineview access agreement included the removal of historic drill core and rehabilitation of the core farm site, which had not been accessed for over a decade.

This work, which was finalised in early February 2024, involved restacking, strapping and relocating ~75+ pallets of core to Eastern Metal's core storage facility at Lake Cargelligo.

Further analysis of the core will be undertaken in the coming months in conjunction with detailed field mapping along the Woorara Fault.



Figure 5: Pineview core farm, November 2021.



Figure 6: Pineview post clean-up, February 2024.

During this time, ~850m of core from Phase 1 drilling at Browns Reef, which lead to the discovery of the high-grade Evergreen zone⁵, was oriented and processed for structural measurements to aid geological and structural modelling.

⁴ ASX EMS Announcement of 15 November 2023, "Key Land Access Agreement Finalised at Browns Reef".

⁵ ASX EMS Announcement of 26 April 2022, "High Grade Zinc Zone Discovered at Browns Reef".

EL9565 Black Range

Black Range is located to the east and south of Tara (EL9180) and is approximately 60km to the north of Browns Reef (EL6321). A ground magnetic survey over the recently identified 'Anomaly B' prospect within EL9565 (**Figure 7**) was completed in February 2023.

The 'Anomaly B' prospect was identified using regional geophysical data and is defined by a discrete "bullseye" magnetic anomaly, similar to the magnetic anomaly defined at the Company's Currawalla prospect⁶ immediately to the north-west (**Figure 7**) and further to the north at its Thomson Project⁷.

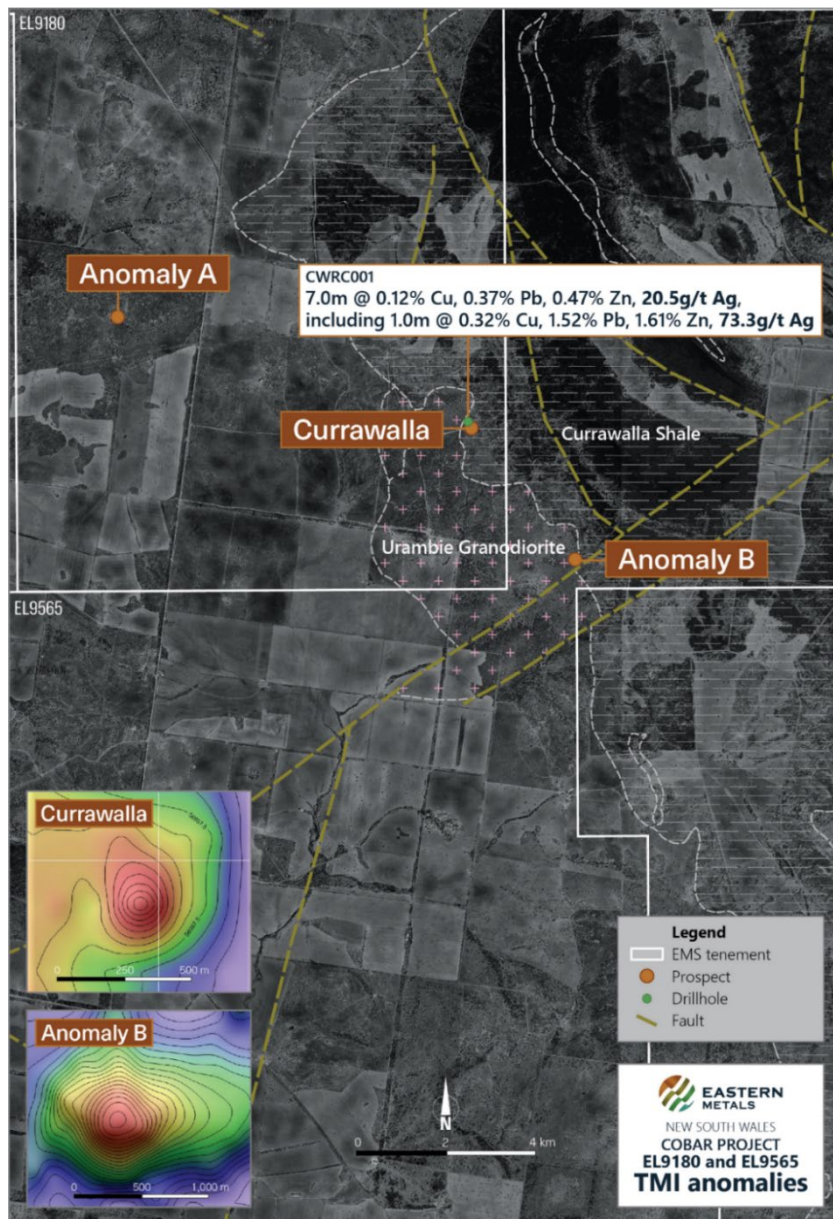


Figure 7: Location of 'Anomaly B', EL9565, on the Urambie Granite, Currawalla Shale contact with Currawalla and Anomaly B Total Magnetic Intensity (TMI). Insets show scale.

⁶ ASX EMS Announcement of 31 May 2023, "Ground Magnetism Enhances Currawalla Rare Earths Potential".

⁷ ASX EMS Announcements of 4 September 2023, "Austex Presentation 4 September 2023" and 15 November 2023 "Presentation Noosa Mining Investor Conference 15 November 2023".

Both the Anomaly B and Currawalla anomalies are located along the Ordovician sediment (Currawalla Shale) and Silurian granitic (Urambie Granodiorite) contact zone (**Figure 7**), and it is thought that the magnetic anomalies may be attributed to pyrrhotite content in association with the base metal mineralisation along the geological contact. In addition, anomalous base metals were encountered in Reverse Circulation drilling at Currawalla in 2023⁸.

The on-ground magnetic survey was designed to acquire more detailed, higher resolution data over the regional geophysical airborne data; however, the ground magnetic survey indicates that the body identified in the coarser, regional airborne data is large and complex – and additional data will be required in order to adequately process and model the recently acquired ground magnetic data.

In light of this, the Company intends to acquire additional ground magnetic data, as well as carry out further detailed mapping and surface sampling, in the June and September 2024 quarters.

THOMSON PROJECT, NSW

The Thomson Project comprises two exploration licences in north-western New South Wales, Harrier (EL9194) and Falcon (EL9190) (refer to **Figure 8**).

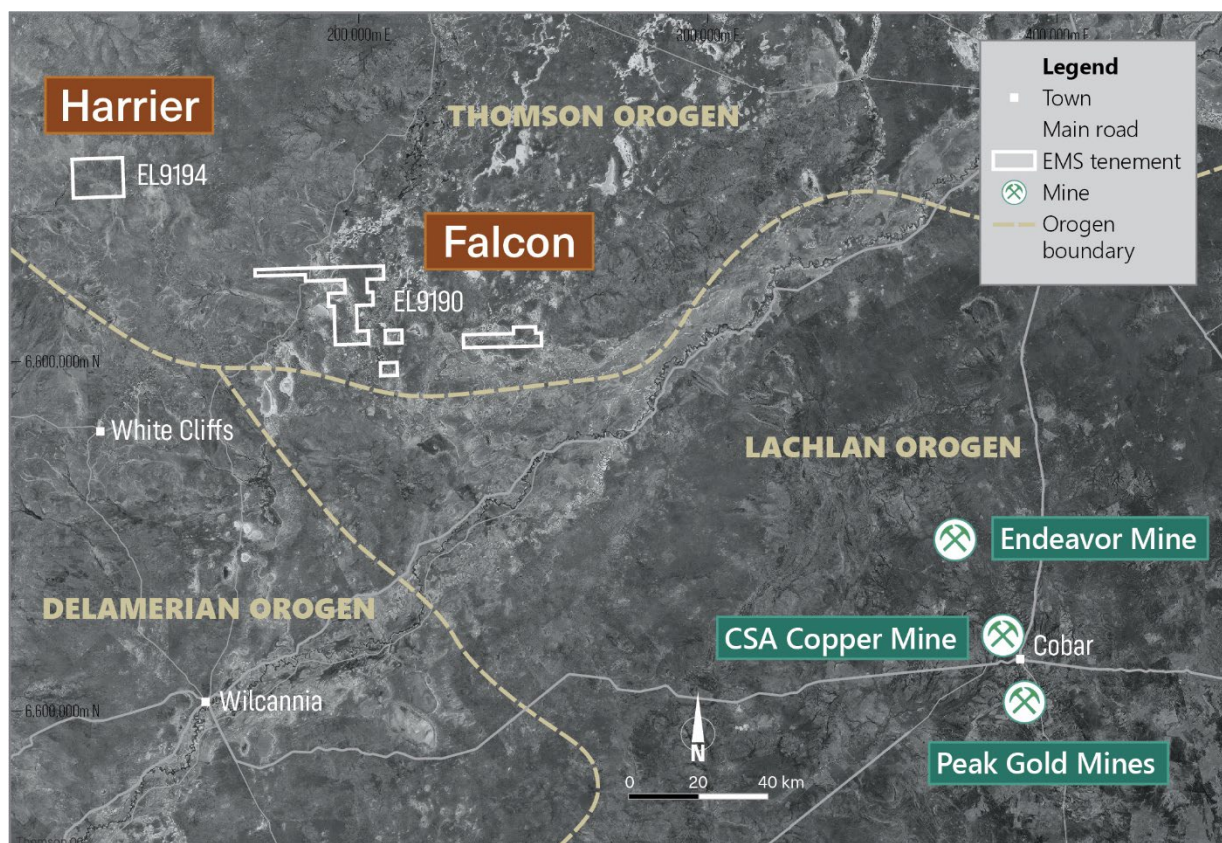


Figure 8: Location of EL9190 and EL9194, southern Thomson Orogen.

⁸ ASX EMS Announcements of 24 August 2023, "Currawalla Drilling Results Received".

Eastern Metals' exploration targets within the Thomson Project tenements are defined by discrete "bullseye" magnetic anomalies with potential for copper-gold and lead-zinc-silver mineralisation similar to the Great Cobar and CSA copper-gold mines, and the Endeavor lead-zinc mine. These types of deposits are generally steeply dipping, or pipe-like, with little surface geological or geochemical expression due to much younger Eromanga Basin sediments. These ore systems typically contain magnetic material, mainly the iron-sulphide mineral pyrrhotite, and can be identified using ground or airborne magnetic surveys.

EL9190 Falcon & EL9194 Harrier

In March, diamond core from seven (7) historic drill-holes was reviewed at the NSW Government's WB Clark Geoscience Centre in Londonderry, Western Sydney. The holes, drilled 10-15 years ago, were chosen from four magnetic anomalies in EL9190, F1, F3, CUT-A and CUT-B and one in EL9194, F14/H1 along the interpreted, east-west oriented Olepoloko Fault. The east-west orientation of the Olepoloko Fault contrasts with the predominant north-south tectonic orientation of the Lachlan and Delamerian orogens, and it is believed that the crust of the southern Thomson Orogen is substantially thicker than the Lachlan Orogen crust⁹. Follow-up work will continue, including basement mapping, magnetic resonance studies and metal zonation modelling.

Eastern Metals now has land access agreements in place, with all pastoral lessees affected by EL9190 and EL9194. Future work comprises assessing on-ground logistics and access for the top three ranked prospects, CUT-B, F3 and F16 (refer to **Figure 9**).

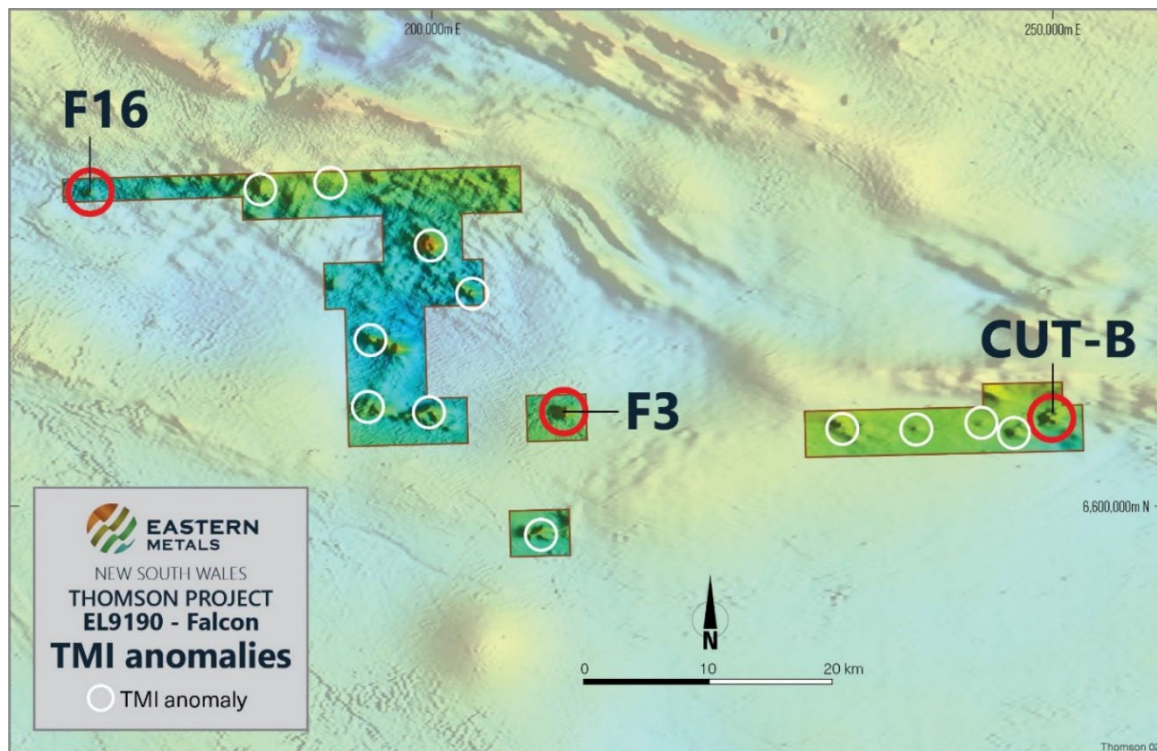


Figure 9: EL9190 'Falcon' TMI anomalies with high-priority targets highlighted in red, Thomson Project.

⁹ Abdullah, R., Rosenbaum, G., Orogen-perpendicular structures in the central Tasmanides and implications for the Paleozoic tectonic evolution of eastern Australia, *Tectonophysics*, Volume 694, 2 January 2017, Pages 444-463.

CORPORATE

FINANCIAL OVERVIEW

Cash Position

Eastern Metals held cash reserves at the end of the Quarter of approximately \$1.1 million.

During the Quarter, Eastern Metals' cash expenditure for exploration and evaluation totalled \$141,000. Full details of exploration activity during the Quarter are included in this Quarterly Activities Report. There were no substantive mining production and development activities during the Quarter.

Shareholder Information

As at 31 March 2024, the Company had 511 shareholders and 82,426,245 ordinary fully-paid shares on issue, with the top 20 shareholders holding 50.12% of the total issued capital.

Payments to Related Parties of the Entity and their Associates

During the Quarter, the aggregate amount of payments to related parties and their associates totalled \$33,252 including GST, consisting of directors' fees (\$33,000) and \$252 reimbursement of travel costs incurred on the Company's behalf.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned activities, including mining and exploration programs, and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. In addition, summaries of Exploration Results and estimates of Mineral Resources and Ore Reserves could also be forward looking statements.

Although Eastern Metals believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Previously Reported Information

Certain information in this announcement references previously reported announcements. The announcements are available to view on the Company's website (www.easternmetals.com.au) and on the ASX website (www.asx.com.au). Other than the information set out in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the exploration results continue to apply and have not materially changed.

Authorisation for this Announcement

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

Contacts

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TENEMENT INTERESTS

Eastern Metals' tenement holding as of 31 March 2024.

Tenure ¹⁰	Location	Company's Interest	Holder	Status
EL23186	Home of Bullion, Northern Territory	100%	Company	Current
EL28615	Donkey Creek, Northern Territory	100%	Company	Current
EL32027	Barrow Creek, Northern Territory	100%	Company	Current
EL24253	Mount Skinner, Northern Territory	75.14%	Mithril ¹¹	Current
EL29475	Adnera, Northern Territory	100%	Company	Current
EL30797	Ooralingie, Northern Territory	100%	Company	Current
EL31292	Buggy Camp, Northern Territory	100%	Company	Current
EL6321	Browns Reef, New South Wales	100%	Company	Current
EL9180	Tara, New South Wales	100%	Company	Current
EL9136	Bothrooney, New South Wales	100%	Company	Current
EL9190	Falcon, New South Wales	100%	Company	Current
EL9194	Harrier, New South Wales	100%	Company	Current
EL9565	Black Range, New South Wales	100%	Company	Current

¹⁰ There were no tenements acquired or disposed during the Quarter.

¹¹ Tenement held by Mithril Resources Limited (ASX: MTH) (Mithril). The 75.14% interest held by Bowgan Minerals Ltd (Bowgan) in the Joint Venture is pursuant to a Joint Venture Agreement dated 26 April 2011 between Mithril Resources Ltd, Mega Hindmarsh Pty Ltd and Bowgan.

MINERAL RESOURCES HOLDINGS

Eastern Metals' resource inventory comprises the Home of Bullion Resource (NT).

HOME OF BULLION RESOURCE ESTIMATE¹²

Lode	Weathering	Class	Tonnage (kt)	Density	CuEq %	Cu %	Zn %	Ag ppm	Pb %	Au ppm	Co %
Main Upper	Oxide	Indicated	110	2.7	4.0	2.3	1.0	71	2.6	0.37	0.01
Main Upper	Fresh	Indicated	370	3.8	4.7	2.8	4.1	47	1.2	0.28	0.03
Main Lower	Fresh	Inferred	740	4.3	4.5	2.7	2.9	39	1.1	0.43	0.03
South	Oxide	Inferred	120	2.7	2.1	1.4	1.3	19	0.7	0.02	0.01
South	Fresh	Inferred	1,100	3.8	2.5	1.4	1.7	40	1.2	0.05	0.02
South LGFW ¹³	Oxide	Inferred	40	2.7	0.8	0.4	0.4	10	0.5	0.01	0.00
South LGFW	Fresh	Inferred	580	3.4	0.9	0.4	0.8	14	0.6	0.01	0.01
Total			3,100	3.7	2.9	1.7	2.0	35	1.1	0.17	0.02
All	Oxide		270	2.7	2.6	1.6	1.0	39	1.4	0.16	0.01
All	Fresh		2,790	3.9	2.9	1.7	2.2	35	1.1	0.17	0.02
Total			3,100	3.7	2.9	1.7	2.0	35	1.1	0.17	0.02
All		Indicated	480	3.6	4.6	2.7	3.4	53	1.5	0.3	0.03
All		Inferred	2,580	3.8	2.6	1.5	1.8	32	1.0	0.1	0.02
Total			3,100	3.7	2.9	1.7	2.0	35	1.1	0.17	0.02

¹² See the Company's ASX announcements 8 March 2023 and 10 March 2023 for further details.

¹³ LGFW means low grade footwall unit.

Appendix 5B

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

Name of entity

Eastern Metals Limited

ABN

29 643 902 943

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(141)	(631)
(b) development	-	-
(c) production	-	-
(d) staff costs	(63)	(245)
(e) administration and corporate costs	(98)	(402)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(301)	(1,256)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(7)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	(7)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,395	2,357
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(301)	(1,256)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(7)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,094	1,094

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	544	385
5.2	Call deposits	550	1,010
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,094	1,395

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 ¹	33
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

¹ Aggregate amount of payments to related parties and their associates totals \$33,252 including GST, consisting of \$33,000 directors' fees and \$252 reimbursement of travel costs incurred on behalf of the Company. Directors' fees payable as at 31 March 2024 totalled \$22,000 (31 December 2023 \$4,125) including GST.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. <div style="border: 1px solid black; padding: 5px; min-height: 100px;"> Not applicable. </div>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(301)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(301)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,094
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,094
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.63
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? <div style="border: 1px solid black; padding: 5px; min-height: 40px;"> Answer: Not applicable – Item 8.7 is greater than 2 quarters. </div>	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? <div style="border: 1px solid black; padding: 5px; min-height: 40px;"> Answer: Not applicable – Item 8.7 is greater than 2 quarters. </div>	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable – Item 8.7 is greater than 2 quarters.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date: 29 April 2024

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

Notes

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

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