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EAST ENERGY RESOURCES LIMITED

ASX ANNOUNCEMENT
2nd November 2020

SEPTEMBER 2020
QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- *Department of Natural Resources, Mines and Energy (DNRME) approved the renewal of EPC 1407 for a further five year period to August 2025.*
- *the Company lodged application for full surrender of EPC 1403 with Department of Natural Resources, Mines and Energy (DNRME)*
- *All DNRME statutory reporting and rental payments are up to date and in compliance*
- *The Company continued to pursue alternative opportunities to develop the Blackall Coal Resource during the quarter*

BLACKALL COAL PROJECT

The Blackall Project consists of three main coal resource areas within MDL464, EPC1398 and EPC1399. It is located immediately to the south of the township of Blackall in central western Queensland.

These permits host a combined **JORC Total Coal Resource Estimate of 3.44 billion tonnes** of thermal quality coal.[Note 1]

The Company confirms that it is not aware of any new information or data that would materially affect the resources and all material assumptions and technical parameters underpinning the Resource estimates continue to apply and have not materially changed in the meantime.

ASX: EER

East Energy Resources is a coal exploration and development company primarily focused in the Eromanga Basin in Queensland.

EER has combined Total JORC Resources of 3.44Bt of Thermal Coal (627.5Mt Indicated and 2817Mt Inferred) located south west of the major deposits of GVK Hancock Coal and Waratah Coal in the Galilee Basin.

Capital Structure

Share Price: $0.036

Market Cap: $115.2m

Shares on Issue: 3,200,987,035

Board of Directors

Rex Littlewood
Managing Director

Ranko Matic
Non-Executive Director

Chris Thoroughgood
Non-Executive Director

Contact Us

www.eastenergy.com.au

Level 2
22 Mount Street
PERTH WA 6000
PO Box 7054
CLOISTERS SQUARE WA 6850

Ph: +61 8 6188 8181
Fax: +61 8 6188 8182
Email: admin@eastenergy.com.au
Web: www.eastenergy.com.au

Note 1. *See ASX announcement dated 10 July 2014 - EER REPORTS 3.44 BILLION TONNE JORC RESOURCE.*

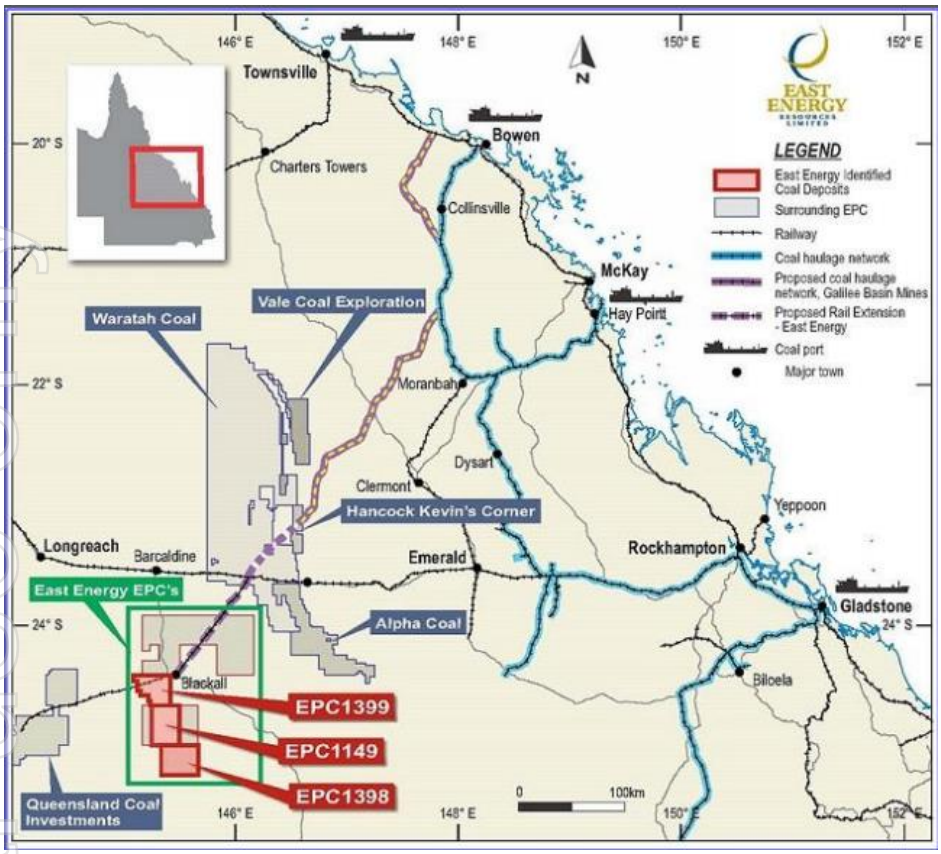


Figure 1: Blackall Project Location Map

With the reduced demand for new sources of thermal coal the company has minimised its expenditure and has carried out no field work during the quarter. Alternative strategies for development of the resource continue to be considered.

Statutory Compliance and Reporting

All tenements remain in good standing with rents paid, statutory obligations complied with and the necessary government reports lodged on time. During the quarter, the Company received notification from the DNRME of the renewal of EPC 1407 for a further 5 year period, to August 2025. During the quarter, the Company determined there was no value in within EPC 1403 and so is currently in the process of relinquishing this tenement which was due to expire in October 2020.

Other than the above relinquishment there have been no other changes to tenements held. A tenement listing for the Group is provided at the end of this report.

During the quarter, the Company continued to assess the demand for thermal coal and the potential for further development of the coal resource within MDL 464 and the three EPCs covering the main body of the Blackall Coal Project.

The Board continues to monitor the progress of coal projects in the Galilee Basin and the proposed rail line for Adani's Carmichael Coal Mine, which will provide a crucial link for the future transport of coal from the Blackall Project.

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CORPORATE

The Company continued discussions with Noble and others regarding potential strategic opportunities during the quarter, to assist with any anticipated expenditure for investigation and assessment of any of these potential strategic opportunities including potential opportunities to develop the Blackall Coal project.

On 17 September 2020, the Company was placed into voluntary suspension on the ASX. The request was made by the Company, as it had been in discussions with its major shareholder to determine the outcome of a possible recapitalisation transaction and was in discussions and negotiations in respect of their controlling shareholding in the Company. There are no further developments to this situation at the time of this report.

Finance and Activities

During the quarter the Company undertook exploration activities including the assessment of the demand for thermal coal and the potential for further development of the coal resource within MDL 464 and the three EPCs covering the main body of the Blackall Coal Project, and some compliance activities with an associated cash outflow of approximately $105,000.

There were no development or production activities

As outlined in the attached Appendix 5B (section 6) during the quarter approximately $59,000 in payments was made to related parties and their associates for director salaries, consultancy fees, superannuation and other related costs.

Strategic Opportunities

During the quarter, the Company continued to focus on reviewing new opportunities to enhance its project portfolio and increase the overall value proposition of EER and continued to review strategic options for development of the Blackall Project. The Company also continued to appraise the market outlook for thermal coal and monitor the rail and port infrastructure commitments by Galilee Basin projects and their impact on the potential development of the Blackall Project.

This Report has been authorised for release by the Board of Directors of East Energy Resources Ltd.

For further information:
Rex Littlewood
Managing Director
T | +61 8 6188 8181
E | admin@eastenergy.com.au
W**|** www.eastenergy.com.au

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Tenement Holdings

Tenement Reference	Location	Interest at 01/04/2020	Acquired/Disposed	Interest at 30/06/2020
EPC 1149	Blackall, QLD	100%	N/A	100%
EPC 1398	Blackall, QLD	100%	N/A	100%
EPC 1399	Blackall, QLD	100%	N/A	100%
EPC 1400	Blackall, QLD	100%	N/A	100%
EPC 1403*	Blackall, QLD	100%	N/A	0%
EPC 1407	Blackall, QLD	100%	N/A	100%
MDL 464	Blackall, QLD	100%	N/A	100%

* currently being relinquished

There are no Farm-in or Farm-out Arrangements held by East Energy Resources Ltd

Summary of Mineral Resources

Table 1 – EPC 1399 Updated JORC (2012) Coal Resources

Tenement	UPDATED JORC (2012) COAL RESOURCES		
	Inferred (Mt)	Indicated (Mt)	Measured (Mt)
EPC 1399	1,504	-	-
TOTAL	**1,504 million tonnes**		

Table 2 – EPC 1399 Coal Quality

Seam Name	Resource Category	Insitu Tonnes (Mt)	Inherent Moisture % (adb)	Ash (adb)	Fixed Carbon % (adb)	Volatile Matter % (adb)	Total Sulphur % (db)	Calorific Value Kcal/kg (adb)
1 Upper	INFERRED	143	16.4	24.0	33.6	25.6	0.40	4156
1 Lower	INFERRED	105	15.4	29.0	32.0	23.6	0.30	3846
2 Upper	INFERRED	123	15.8	30.6	29.8	23.7	0.51	3728
2 Lower	INFERRED	104	16.0	29.3	30.8	24.0	0.52	3805
3 Upper-1	INFERRED	193	16.1	23.6	35.2	25.0	0.48	4225
3 Upper-2	INFERRED	169	17.0	19.2	37.7	26.1	0.47	4497
3 Lower-1	INFERRED	105	15.7	22.5	35.8	25.8	0.71	4347
3 Lower-2	INFERRED	96	15.1	27.6	33.1	24.1	0.56	3986
4 Upper-1	INFERRED	84	15.5	23.9	35.2	25.4	0.62	4280
4 Upper-2	INFERRED	110	17.4	16.9	38.9	26.8	0.65	4678
4 Lower	INFERRED	120	16.7	18.9	38.4	26.0	0.55	4559
5	INFERRED	151	16.3	19.4	38.2	26.1	0.82	4570
Total	**INFERRED**	**1,504**						

Table 3 – EPC 1398 Existing JORC (2004) Coal Resources

Tenement	EXISTING JORC (2004) COAL RESOURCES		
	Inferred (Mt)	Indicated (Mt)	Measured (Mt)
EPC 1398	200	-	-
TOTAL	**200 million tonnes**		

Level 2/22 Mount Street, Perth Western Australia 6000
PO Box 7054, Cloisters Square Perth Western Australia 6850
Ph: +61 8 6188 8181 Fax: +61 8 6188 8182

www.eastenergy.com.au

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Table 4 – EPC 1398 Coal Quality

Resource Category	Insitu Tonnes (Mt)	Inherent Moisture % (adb)	Ash (adb)	Fixed Carbon % (adb)	Volatile Matter % (adb)	Total Sulphur % (db)	Calorific Value Kcal/kg (gar)
INFERRED	200	16.8	21.8	34.5	26.9	0.60	3570

Table 5 – EPC 1149 Existing JORC (2004) Total Coal Resources

Tenement	EXISTING JORC (2004) COAL RESOURCES		
	Inferred (Mt)	Indicated (Mt)	Measured (Mt)
EPC 1149	1,113	627.5	-
Sub-total	**1,113**	**627.5**	**-**
TOTAL	**1,740.5 million tonnes**		

Table 6 – EPC 1149 Coal Quality (SRK Consulting Sept2012)

Seam Name	JORC Category	Seam Thickness	Coal Area	Coal Volume	In-situ Tonnes	RD_{ia}	TM	IM	Raw Ash	Raw VM	Raw TS	Raw Gross CV	F1.60 Yield	F1.60 Moisture	F1.60 Ash	F1.60 VM	F1.60 TS	F1.60 Gross CV
		m	Ha	Mm^3	Mt	g/cc	%ar	%ad	%ad	%ad	%ad	MJ/kg	%ad	%ad	%ad	%ad	%db	MJ/kg
1U	IND	0.57	4123.1	23.5	33.1	1.41	29.4	21.5	21.1	25.2	0.41	16.3	78.7	17.8	12.2	29.0	0.34	19.7
1U	INF	0.50	7705.7	38.3	54	1.40	30.6	20.1	20.9	25.5	0.41	16.7	81.8	16.3	11.6	29.4	0.34	20.7
1L	IND	0.65	4795.1	31.0	43.7	1.41	29.5	21.9	22.7	24.8	0.45	15.9	80.0	18.1	14.8	28.9	0.40	18.9
1L	INF	0.51	12805.8	65.1	92	1.41	30.3	20.3	22.0	25.9	0.48	16.4	82.2	17.5	13.1	29.2	0.42	19.9
2U	IND	0.51	7151.0	36.6	51.7	1.41	28.9	21.6	22.3	26.0	0.37	16.0	81.6	18.1	13.8	29.0	0.37	19.1
2U	INF	0.50	15506.3	78.1	110	1.41	29.2	20.7	21.8	25.3	0.50	16.4	84.1	17.8	12.5	29.7	0.57	20.0
2L	IND	0.53	7378.2	39.1	55.6	1.42	28.6	20.7	23.8	24.4	0.41	15.7	79.3	17.8	13.8	28.7	0.39	19.2
2L	INF	0.50	14834.4	74.0	104	1.41	29.3	20.6	21.3	25.3	0.49	16.6	85.7	18.3	13.6	28.8	0.47	19.6
3U1	IND	0.42	5951.8	25.2	36.2	1.44	27.2	19.2	25.4	24.1	0.46	15.5	75.1	17.3	13.6	28.9	0.45	19.6
3U1	INF	0.50	14507.0	72.1	102	1.42	29.2	20.5	22.1	24.9	0.62	16.4	71.8	18.6	12.6	28.3	0.55	19.7
3U2	IND	0.44	6292.5	27.8	40.4	1.45	27.3	19.6	26.7	24.4	0.39	15.1	73.0	16.7	15.4	28.4	0.41	19.0
3U2	INF	0.46	13197.3	60.8	87	1.44	28.0	19.6	24.8	24.0	0.54	15.7	76.9	19.3	13.8	27.3	0.60	19.1
3L1	IND	0.80	9082.9	72.4	101.2	1.40	29.2	21.2	20.0	26.5	0.50	16.7	81.0	17.8	12.5	29.0	0.45	19.8
3L1	INF	0.64	13803.8	89.0	126	1.41	29.0	20.4	21.9	24.8	0.56	16.4	81.4	18.7	13.0	28.7	0.66	19.6
3L2	IND	0.84	8403.2	70.7	98.6	1.40	30.1	21.5	20.0	25.9	0.46	16.7	83.6	17.8	12.3	28.9	0.47	19.8
3L2	INF	0.65	14910.1	96.3	134	1.39	29.3	20.8	20.1	25.3	0.56	16.8	84.7	17.8	14.1	28.7	0.59	19.5
4U1	IND	0.50	8827.1	44.3	61.7	1.39	29.2	21.3	19.4	26.2	0.47	16.8	83.7	17.8	11.4	29.3	0.43	20.2
4U1	INF	0.55	14198.9	78.4	110	1.40	29.4	20.5	20.6	25.0	0.69	16.9	80.7	17.4	12.2	28.7	0.62	20.3
4U2	IND	0.41	8691.0	35.7	50.1	1.40	29.3	20.9	21.1	25.7	0.45	16.4	82.6	17.6	12.3	29.2	0.44	19.9
4U2	INF	0.45	13539.9	61.3	86	1.40	29.3	20.9	19.8	25.1	0.60	17.0	83.2	17.5	11.9	29.0	0.57	20.4
4L	IND	0.52	7230.4	37.8	53.7	1.42	27.4	20.2	23.6	24.8	0.60	15.8	77.7	17.2	14.3	28.9	0.55	19.4
4L	INF	0.55	13153.1	72.3	103	1.42	28.6	19.8	23.0	25.0	0.94	16.3	79.1	18.1	12.7	29.1	0.85	19.9
5	IND	0.52	197.6	1	1.5	1.41	33.5	18.3	22.3	29.1	1.22	17.1	81.7	13.3	11	32.3	0.72	20.2
5	INF	0.5	738.9	3.7	5	1.42	29.9	18.8	24.1	26.3	0.75	16.4	76.9	15.9	11.2	31	0.72	20.3
Total					1,740.5	1.41	29.1	20.6	21.7	25.2	0.54	16.4	80.9	17.9	13.0	28.9	0.53	19.8

Competent Persons Statement – EPC 1399 Resources

The information in this report relating to estimates of Mineral Resources within EPC1399, is based on information compiled by Mr Peter Tighe who is a member of the Australian Institute of Mining and Metallurgy. Mr Tighe is a geological consultant to East Energy Resources Limited. Mr Tighe has had over 30 years' experience in exploration, mining and resource evaluation 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 Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tighe consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

Competent Persons Statement – EPC 1398 Resources

The information in this announcement relating to the estimates of Mineral Resources within EPC 1398 is based on the 2004 JORC code and information reviewed by Mr Bill Knox, who is a Member of The AusIMM. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Knox 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 2012 Edition of the JORC Code. Mr Knox consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Competent Persons Statement – EPC 1149 Resources

The Coal Resource estimation for the Blackall Project (EPC 1149) presented in this announcement has been carried out in accordance with the principles and guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004) and the Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves, 2003.The information in the announcement to which this statement is attached, that relates to East Energy's Blackall Coal Resource on EPC 1149 is based on information reviewed by Dr Gerard McCaughan, who is a Member of The AusIMM and is a full time employee of SRK. . This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Dr McCaughan 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 JORC Code. Dr McCaughan consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Competent Persons Statement – Exploration Targets

The information in this announcement relating to Exploration Targets within EPC 1398 and EPC 1399 is based on information compiled by Mr Peter Tighe who is a Member of The AusIMM and a geological consultant to East Energy Resources Ltd. Mr Tighe 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tighe consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

This Announcement may contain forward looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements are subject to risk factors associated with the Company's business, many of which are beyond the control of the Company. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place undue reliance on forward-looking statements and neither East Energy Resources Limited nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

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