

MOU EXECUTED WITH PENTARCH TO EXPORT FROM THE PORT OF EDEN

Eastern Iron Limited (“EFE”, “Eastern Iron” or the “Company”) is pleased to announce that the Company has executed a non-binding Memorandum of Understanding (“MOU”) with Pentarch Logistics Pty Ltd (“Pentarch”) to export product from the Nowa Nowa Iron Project (the “Project”) using the port facilities at the Port of Eden operated by Pentarch.

The Port of Eden is located 234km from the Project and is accessed via sealed all weather highway.



Figure 1: Location of the Project

The Company and Pentarch have assessed the potential to export Nowa Nowa iron ore product (the “Product”) from the Port of Eden, and Pentarch has agreed to provide port facilities to the Company to export the Product subject to the Parties reaching a commercial agreement to do so.

The Company and Pentarch have executed the MOU, with key terms as follows:

- Both parties to work cooperatively on storage options of the Product, and on utilization of the port facilities at the Port of Eden;
- Pentarch have agreed to investigate the storage and export up to 1.5 million tonnes per annum of the Product from the Port of Eden;
- Both parties have agreed to work together to investigate site modification and operating procedures for storage and product handing and loading; and
- Pentarch and the Company will enter into negotiations aimed at finalising a binding commercial agreement.

Nowa Nowa Iron Project

The Project is located in East Gippsland, Victoria and is proximal to the Princess Highway which provides access to several nearby towns and the existing export port facility at Eden in southern NSW.

The Company completed resource drilling at the Five Mile deposit outlining 9.05 Mt averaging 50.8% Fe of magnetite iron in 2014. (Refer to the Company 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 Estimated Resources (cut off of 40% Fe).

The 2014 DFS was authored by Engenium with support from specialist consultants including Mining One and Coffey Mining (mining study); H&SC (mineral resource estimation); ALS Global and Engenium (metallurgy, process engineering), Earth Systems (environmental); and Planning and Property Partners (planning approvals). The 2014 DFS was based on beneficiated ore @ 58% Fe fines being produced and transported from the mine 234km by road transport to the Port of Eden.

INVESTOR INFORMATION

Further information, previous Eastern Iron announcements and exploration updates are available at the News and Reports tab on the Company's website – www.easterniron.com.au

This announcement has been authorised for release by the Board of the Company.

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For enquiries on your shareholding or change of address please contact:

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¹ The Company confirms that it is not aware of any new information or data that materially impacts the information included in its ASX announcement of 21 May 2014 and that all material assumptions and technical parameters underpinning the estimates included in this ASX announcement continue to apply and have not materially changed.

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