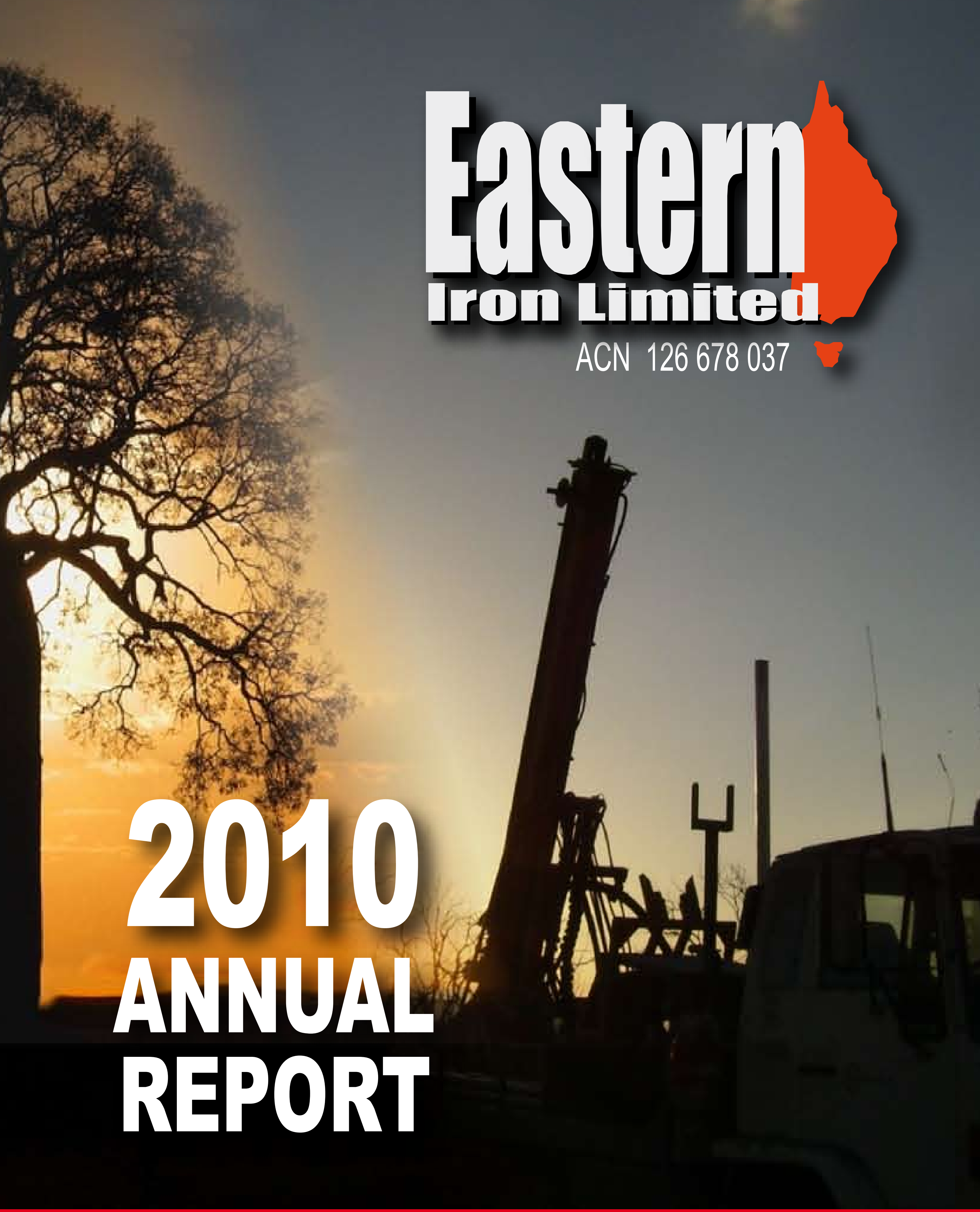
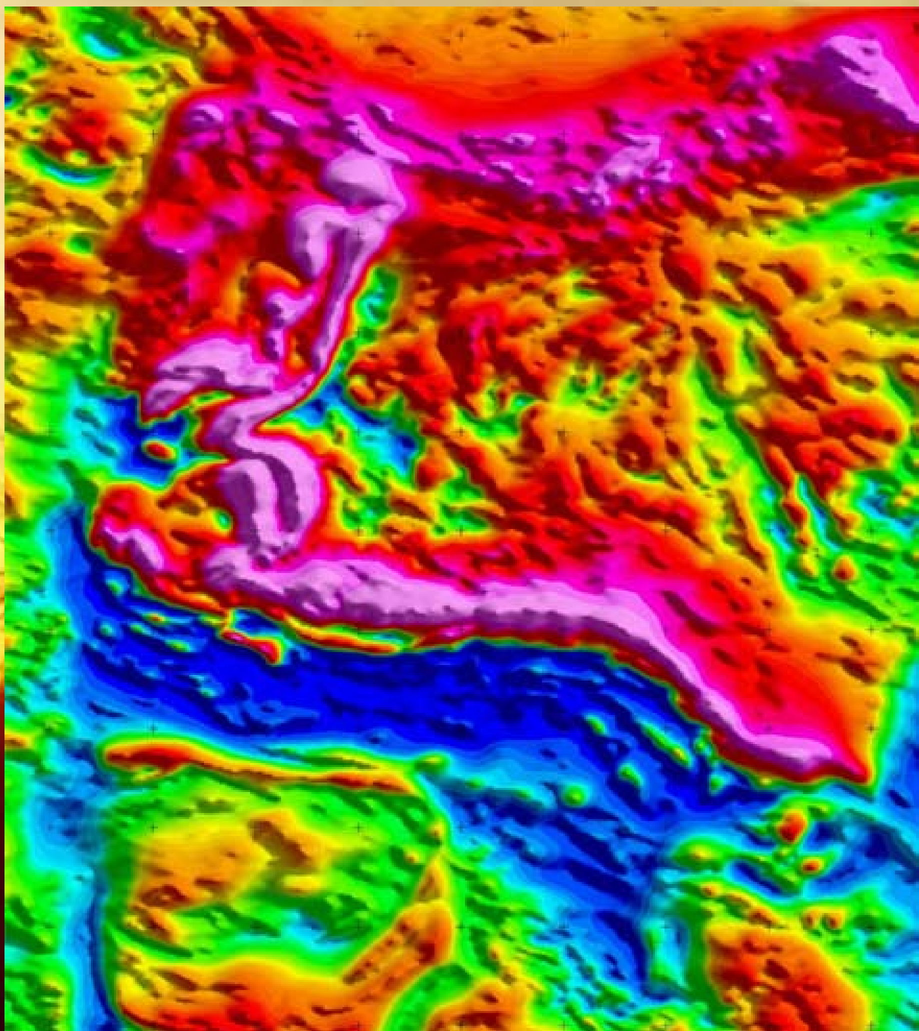


Eastern Iron Limited

ACN 126 678 037

2010 ANNUAL REPORT

...iron's new horizon



AIRBORNE MAGNETIC SURVEY - HAWKWOOD MAGNETITE - VANADIUM PROJECT, QUEENSLAND

CHAIRMAN'S REPORT

It is pleasing to report that Eastern Iron finished the 2010 financial year with the promising new Hawkwood iron ore prospect in Queensland, a conditional farm out of its NSW iron ore areas, several new tenement applications in Queensland and a number of potential deals in the pipeline. Subsequent to year end, Eastern Iron has completed its initial drilling program at Hawkwood with assay results awaited.

The year saw Eastern Iron conditionally farm out most of its NSW iron pisolite tenements to 3E Steel Pty Ltd, subject to the shareholders of Eastern Iron (excluding PlatSearch and related party shareholders) approving the transaction. 3E will be evaluating alternative processing and value-adding options for the NSW iron resources. The four remaining iron pisolite tenements not subject to the 3E arrangement will be owned 49% by Eastern Iron and 51% by PlatSearch pursuant to a new contributing joint venture agreement. An Extraordinary General Meeting of Eastern Iron shareholders will be held in October 2010 to consider the proposed tenement swap agreement with PlatSearch, approval of which is required for the 3E deal to proceed.

Our Hawkwood magnetite iron ore prospect in Queensland was drilled in August 2010. The results of this drilling will be announced as soon as they have been received and evaluated. Hawkwood will be the focus for exploration at least in the first half of the new financial year. The attractions of Hawkwood include its proximity to a rail line that leads to the port of Gladstone, some 250 kilometres away. Gladstone has a large export coal port and additional port facilities that currently have excess loading capacity for non-coal products.

Eastern Iron has maintained its strategy of seeking advanced projects capable of significantly adding value to your company and therefore, its shares. In addition, we will opportunistically apply for earlier stage tenements where we believe this is warranted. Examples of this opportunistic approach include the application for the 100%-owned Auburn area in Queensland that has similar geology to the Hawkwood project and recent tenement applications for areas with coal potential within Queensland's Bowen Basin.

The likely introduction of an additional tax on iron ore and coal projects in Australia has validated our existing strategy of seeking projects that are prospective for commodities other than iron ore, including some that are outside of Australia. Over time, Eastern Iron plans to develop a portfolio of projects prospective for iron ore, gold, copper and other base and precious metals, in the Asia-Pacific region.

The management team was strengthened during the year by the appointment of Greg De Ross, initially as CEO and subsequently as Managing Director of Eastern Iron. Greg has extensive experience managing exploration and evaluation teams in Papua New Guinea and Australia. Greg's operating experience and contacts in Papua New Guinea may prove very useful in identifying gold and copper opportunities in that country. Our inaugural Managing Director, Peter Buckley remains as a Non-Executive Director and is available to provide Eastern Iron with geological and other services as required.

The skill set of the Board was also strengthened by the addition of Steve Gemell as a Non-Executive Director. Steve is a well regarded consulting mining engineer based in Sydney, but with extensive international experience across a broad spectrum of commodities and jurisdictions.

In June 2010, Eastern Iron's cash reserves were boosted by the exercise of $322,200 worth of 12 cent options by PlatSearch NL, our largest shareholder. At year end Eastern Iron had $2.7 million in cash and near-cash assets. We are adequately funded to conduct the next stage of drilling and preliminary metallurgical and logistics studies on Hawkwood. Also, with a further 20 million options (12 cent listed) and 4 million options (25 cent unlisted) expiring on 19 December 2010, there is the prospect that Eastern Iron could raise in excess of $2.4 million if all of the 12 cent options are exercised. The Company will write to all optionholders prior to the option expiry date detailing the process of conversion.

Everyone in Eastern Iron is looking forward to a productive and successful year of exploration and evaluation work on our Hawkwood project, to the commencement of new studies on the Cobar project and to the continued generation and evaluation of other opportunities.

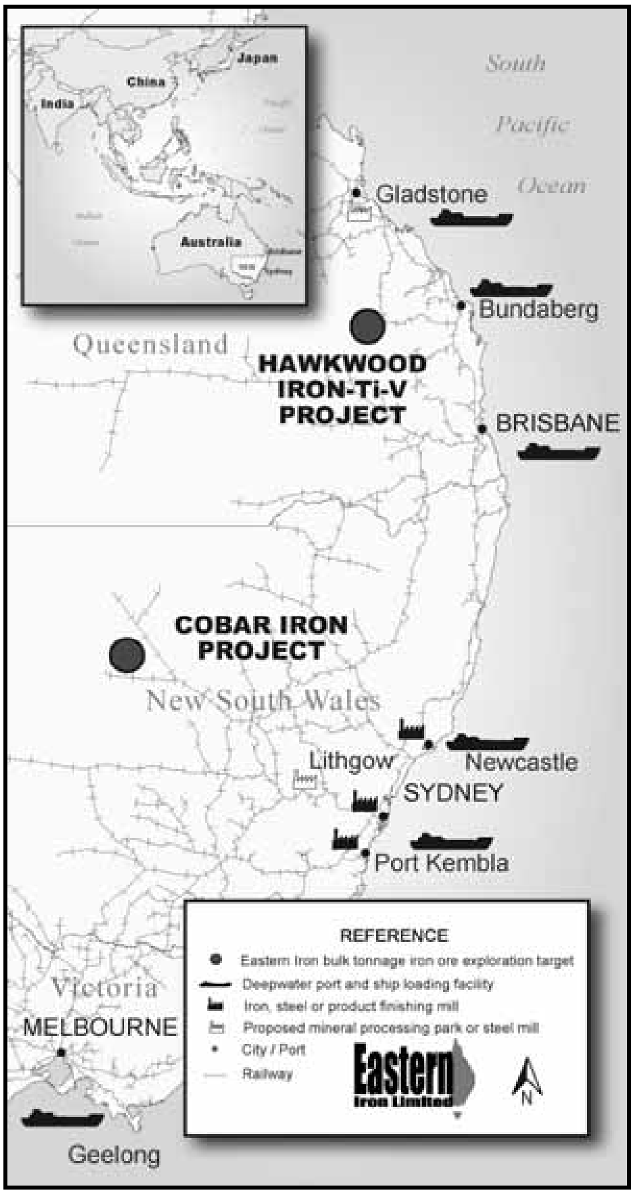
We wish to thank our shareholders for their ongoing support.

Yours sincerely

Glenn Goodacre

Chairman

REVIEW OF OPERATIONS



Regional Location of Eastern Iron Projects

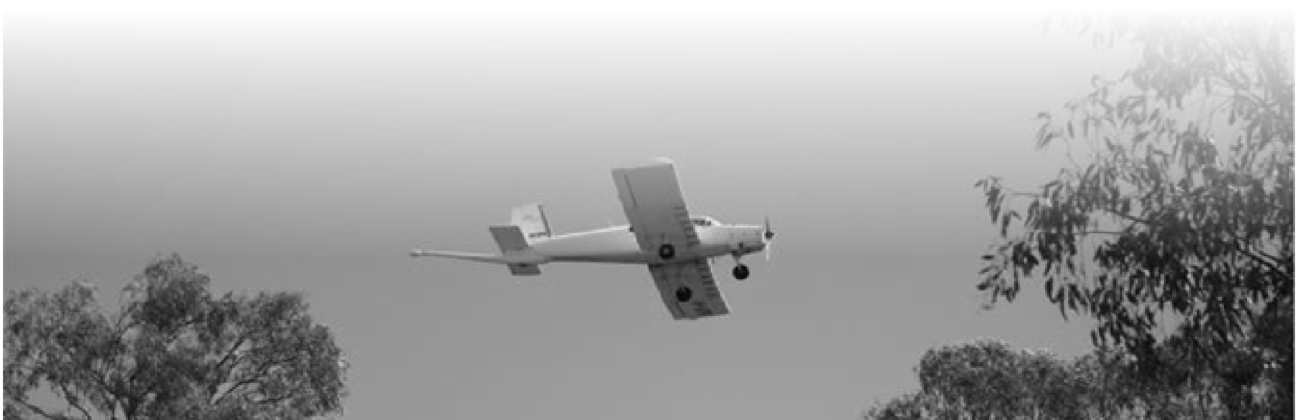
Highlights

- Completed joint venture arrangements for the right to acquire an 80% interest in the Hawkwood Iron Project in Central Queensland.
- A 2,241 line kilometres low altitude high resolution airborne magnetic survey was completed at Hawkwood.
- Follow up ground magnetic surveys for drill hole targeting were completed at the Main Magnetic Anomaly at Hawkwood.
- Recently completed 1,848 metre reverse circulation drilling program over the Hawkwood layered intrusive complex.
- Conditional agreement with 3E Steel Pty Ltd for 3E to farm in to the Cobar and Main Line (NSW) pisolite iron project.

Introduction

Late in 2009 Eastern Iron announced that the Company would seek joint venture participation in its NSW iron pisolite project. This process has resulted in a conditional agreement with 3E Steel Pty Ltd for that company to farm in to and fund the project through an evaluation of alternative beneficiation and development options. The introduction of a joint venture partner to the NSW project has allowed Eastern Iron to focus on evaluation of the newly acquired Hawkwood Magnetite Iron project in central Queensland which the Company is actively exploring.

Eastern Iron has also continued its search for other mineral project acquisitions. Of particular interest are relatively advanced projects which have potential for Eastern Iron to add significant value over the short to medium term.



REVIEW OF OPERATIONS

Hawkwood Project

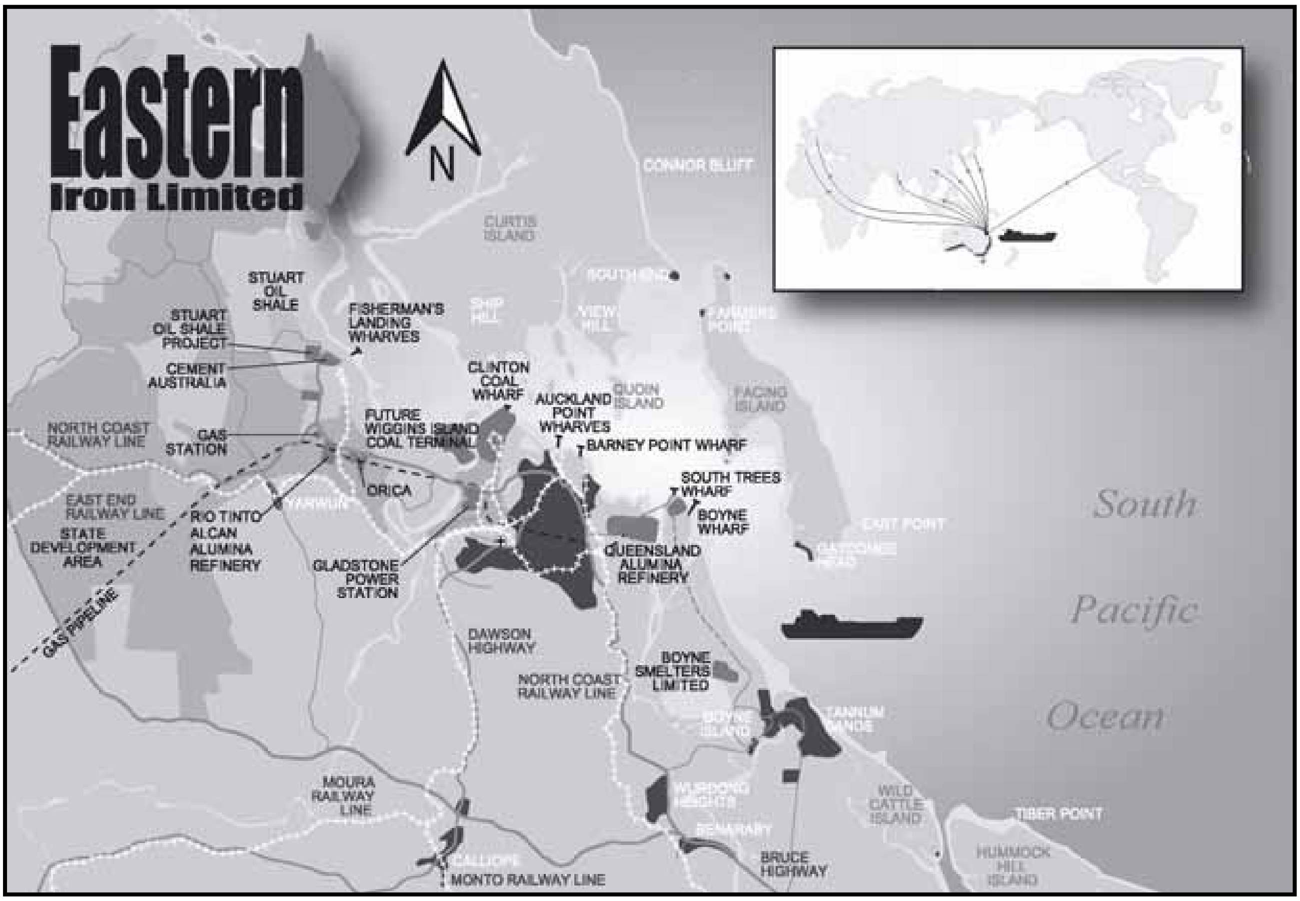
In January 2010 Eastern Iron announced the completion of a Joint Venture Heads of Agreement between Eastern Iron, Rugby Mining Pty Ltd (Rugby) and Rugby Mining Limited (TSX Code: RUG) to explore the magnetite-rich portion of the Hawkwood layered intrusive complex in Queensland. Hawkwood is located 160 kilometres from the coast and 250 kilometres by rail from the major coal export port of Gladstone; an area well serviced with existing infrastructure. Under the terms of the agreement Eastern Iron can earn a 50% interest in the exploration area by spending $700,000 within three years and up to an 80% interest by completing a Bankable Feasibility Study. By virtue of the work completed to date Eastern Iron has fulfilled its minimum $200,000 expenditure obligation. The Hawkwood joint venture exploration area covers portions of EPM 15289 and EPM application 17099. Rugby is the holder of both of these tenements, with EPM 15289 subject to a 2% Net Smelter Royalty held by Newcrest Operations Limited. Since executing the agreement with Rugby, Eastern Iron has also applied for two EPMs in its own right, Auburn and Redwood (18566 and 18533) covering possible extensions to the intrusive complex.

Transport and Infrastructure

The Hawkwood project area is located some 45 kilometres southwest of the rural town of Mundubbera in central Queensland. The project area itself is freehold open grazing land, well serviced with power, telephone and roads. Mundubbera is connected by sealed highway to other nearby regional centres and by rail via the Maryborough line to the main north-south trunk line some 200 kilometres to the east and 250 kilometres northeast to the export port of Gladstone.

The Maryborough railway line is currently not in use but has been the subject of recent studies to reactivate the line to meet haulage requirements of other potential users in the region including some proposed mineral and coal developments.

Port facilities at Gladstone offer any potential development at Hawkwood ready access to overseas export markets. The port currently has a total throughput of more than 75 million tonnes annually, the major cargoes being coal, alumina, aluminium and cement and is the third largest coal export port in Australia. Planned expansions will accommodate a doubling of the current coal export capacity as well as exports from the proposed



Infrastructure surrounding Gladstone (compiled from data supplied by Gladstone Ports Corporation)

REVIEW OF OPERATIONS

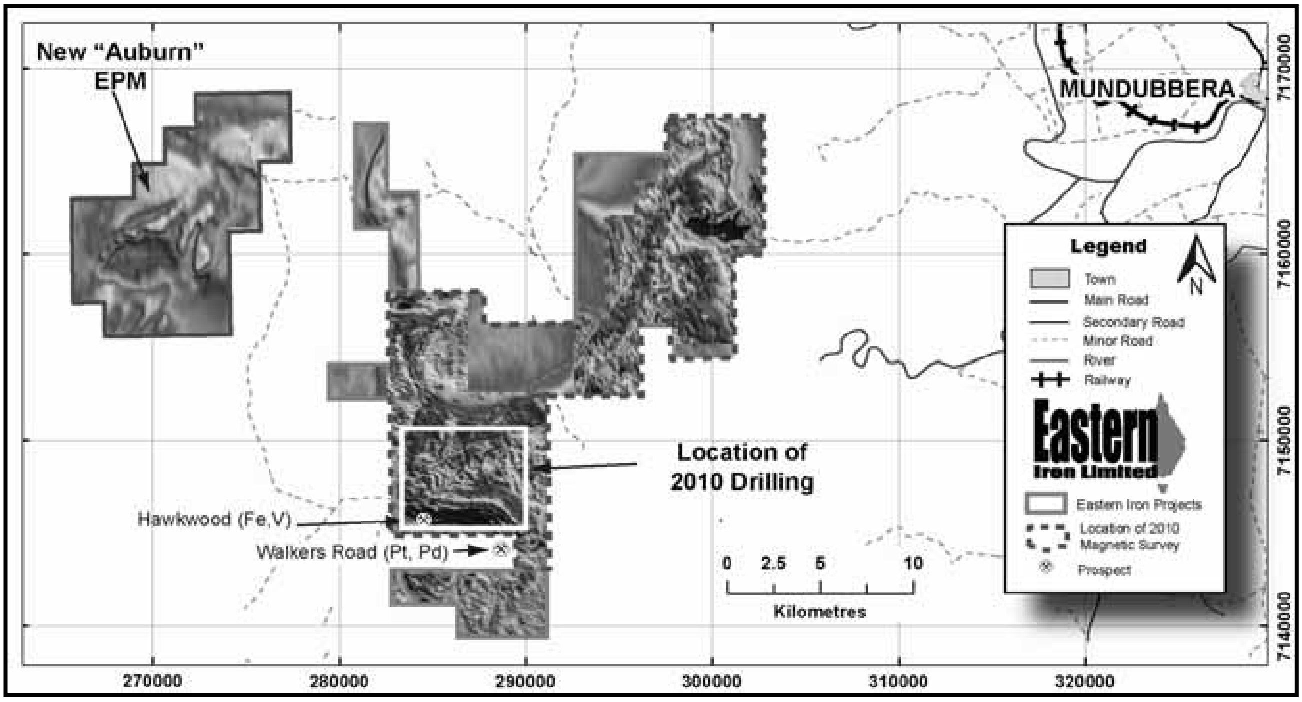
new LNG terminals. The Gladstone Ports Corporation have advised that subject to environmental, community and commercial conditions being met there is available capacity for iron ore shipments of 1-2Mtpa with an additional 5-6Mtpa available from existing facilities as other planned expansions come on line.

The availability of existing road, rail and port infrastructure provides any potential development of an iron ore operation at Hawkwood with a significant advantage compared to other proposed magnetite iron developments in Western and South Australia.

Exploration

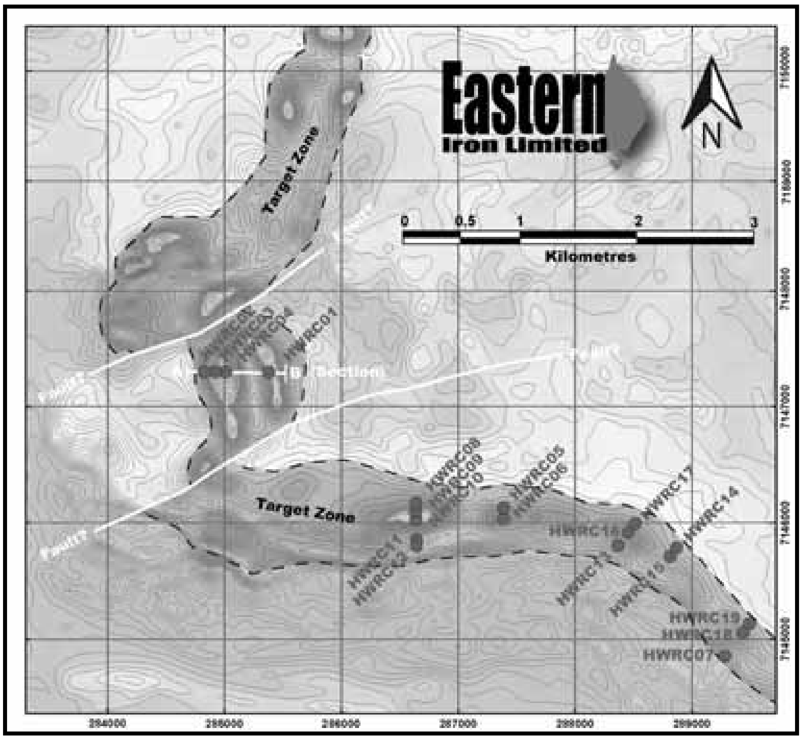
Exploration work on the Hawkwood project is targeting magnetite-rich layers within a layered basic intrusive complex, the Delubra Gabbro. Magnetite, which is an iron ore mineral, is a primary mineral of the intrusive complex and can concentrate in layers within the intrusive in amounts from a few per cent to almost pure massive magnetite. These layers can vary from less than a metre to tens of metres in thickness. Similar magnetite deposits at Balla Balla and Windimurra in Western Australia form continuous layers over several kilometres long and aggregate to resources of several hundred million tonnes. Typically these deposits contain some titanium (TiO_2) and vanadium (V_2O_5) which can be valuable by-products or, in the case of Windimurra Vanadium, be the main target commodity. Work at Hawkwood commenced in March 2010 with the completion of a low altitude high resolution airborne magnetic survey. The survey directly detects magnetite concentrations in the underlying rock and was particularly useful at Hawkwood as there is little or no outcrop of the magnetite layers. The main feature of the resultant magnetic image, shown below and inside the front cover, is the very strong magnetic anomaly derived from magnetite-rich layers in the intrusive and which extends for over 12 kilometres along strike.

Ground magnetic surveys were also carried out on six paired lines spaced at between 600-1,200 metres along strike and oriented normally across the airborne magnetic feature to assist in modelling of the anomaly and siting planned drillholes. As depicted on the typical section of the modelled magnetic bodies, shown on the section on the following page, there appear to be several steeply dipping bodies of 20-40 metres thickness over an interval of 150-200 metres wide.

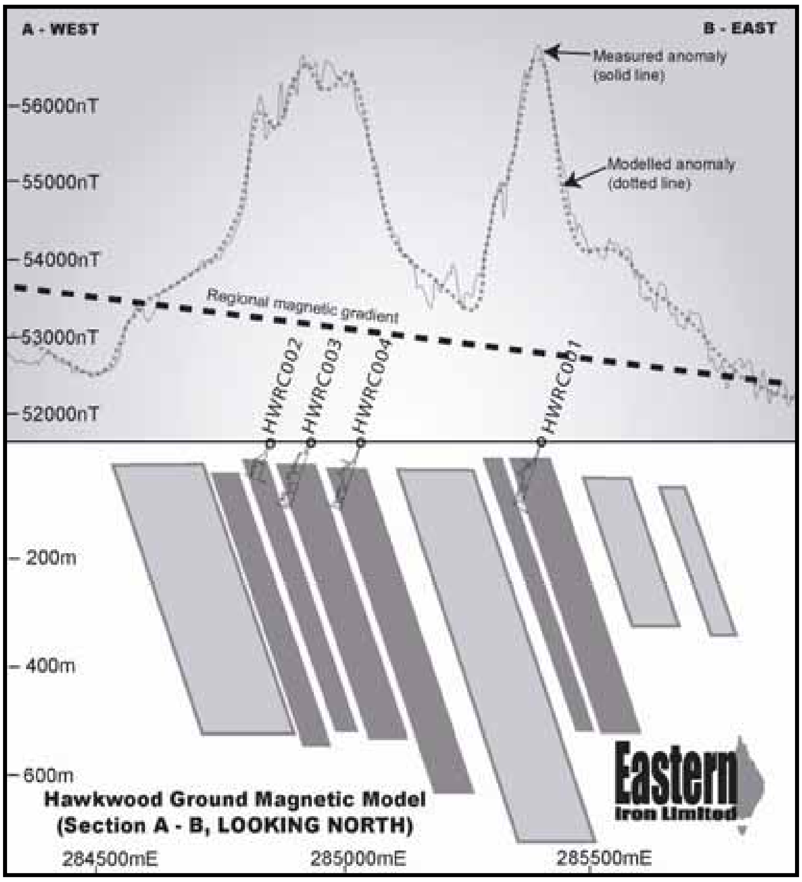


Hawkwood and Auburn projects with aeromagnetic background image showing location of recent drilling

REVIEW OF OPERATIONS



Location of drill holes and Section A-B



Observed and modelled ground magnetic anomaly over drill section A-B, covering drill holes HWRC001-004. The darker blocks represent the more strongly magnetic target units.

Drilling

Reverse circulation drilling was carried out on the same sections as the ground magnetic survey. Holes were designed to intersect the modelled magnetic bodies assuming the steep southerly dip inferred from the modelling. Drilling was carried out in August 2010 with 1,848 metres completed in 19 holes as shown on the adjacent diagram.

Magnetic susceptibility was measured on drill cuttings every metre down the hole. Onsite analyses were also obtained using an Innov-X Delta handheld XRF analyser from each one metre sample for those sections with magnetic susceptibilities above 0.10 SI units. Two metre composite samples were submitted for laboratory analysis by XRF Fusion. At the time of writing assay results from the first four holes only have been received.

Preliminary interpretation of the drilling results from section 7147400N suggest that magnetite-bearing gabbro occurs in thick (up to 150 metres) moderately dipping layers within which are higher grade more magnetite-rich bands. The dip of the layers interpreted from drilling does not appear to coincide with the geophysical modelling and in the absence of surface exposures further core drilling will be required to resolve this issue. No magnetic separation tests (Davis tube recoveries) have been carried out as yet, however, it is estimated that the magnetite content of the magnetite-bearing gabbro is greater than 20% over this width.

These results are very preliminary at this stage and the full suite of analyses is awaited before detailed evaluation of the drilling results can be carried out. In some drillholes it was noted that there exist narrower more magnetite-rich zones, however, it was not possible to correlate these zones between holes or be confident about true thicknesses due to uncertainties as to the dip of the layers.

Once all the assay results have been assessed the next stage of work may include a short program of diamond core drilling which will provide information about the dip and direction of dip of the magnetite bodies and therefore assist in interpreting the results of the reverse circulation drilling to indicate true widths and potentially resource estimates. The diamond drilling will also provide samples for preliminary metallurgical testing as some of the key issues for the future of the Hawkwood project will be the quantity of magnetite recovered to a saleable concentrate (mass recovery), the quality of the concentrate and the cost of processing the magnetite-bearing ore to recover the concentrate.

NSW Pisolite Iron Project

From the time of listing in February 2008, Eastern Iron Limited carried out a detailed assessment of its NSW Pisolite Iron Project in central western NSW. Although drilling was successful in delineating a large, albeit low grade iron resource, preliminary concept studies into potential development highlighted that the resource was uneconomic as a direct shipping, low capital cost development, which was the original objective. Consequently in November 2009, the Company announced that it would seek joint venture funding for further studies into alternative uses and beneficiation studies that could improve the project economics. That process has resulted in the recently announced proposal to joint venture the project with 3E Steel Pty Ltd, a company specifically formed for the further development of iron resources. It has brought together expertise in resources, mining, steel production and logistics to assure the success of such development.

3E Steel Pty Ltd – Eastern Iron Limited Joint Venture

The conditional agreement with 3E Steel Pty Ltd (3E) will allow 3E to earn up to a 77.5% interest in 13 tenements (out of 17) in Eastern Iron's NSW Pisolite Iron Project. 3E may earn its interest by completing further investigations, including a bankable feasibility study, into the potential development of an iron ore project. Under an earlier agreement with PlatSearch NL (PlatSearch), Eastern Iron had earned an 80% interest in the project tenements with obligations to sole fund project expenditure to the completion of a bankable feasibility study. The agreement with 3E includes a requirement that Eastern Iron and PlatSearch execute an agreement to restructure the ownership of the 15 project tenements in which the companies hold interests.

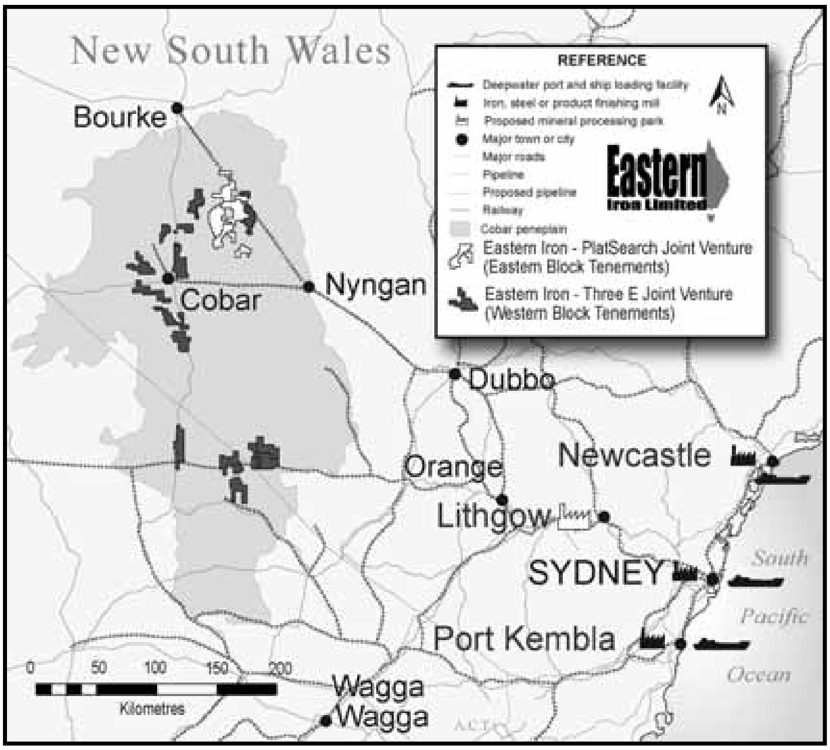
This restructure will secure Eastern Iron's interest in the tenements and remove the obligation to fund a feasibility study.

The terms of the agreement with 3E provide that:

- 3E will expend a minimum commitment of $600,000 in the first year to undertake bulk sampling and beneficiation testing of the iron resource, aimed at producing a saleable product from the ore.
- 3E can then earn up to a 77.5% interest (thereby diluting Eastern Iron to 22.5%) by continuing to sole fund project expenditure including completing a bankable feasibility study into an iron ore processing operation producing at least two million tonnes per annum of iron ore concentrate.
- At the completion of these funding stages Eastern Iron may choose to fund its interest or, at its option, convert to a royalty of $2.00 per tonne of iron ore product when the prevailing spot FOB price for 58% iron ore is US$100 per tonne or greater, or a royalty of $1.00 per tonne of iron ore product when the FOB price is less than this amount.

Restructure of tenement ownership between Eastern Iron and PlatSearch NL – Tenement Swap Agreement

A precondition of entering into the above joint venture with 3E, is a restructure of ownership of the tenements which



Location of the Eastern Block (Eastern Iron and PlatSearch Joint Venture) and Western Block Tenements (Eastern Iron and 3E Joint Venture) are currently subject to a joint venture agreement between Eastern Iron and PlatSearch. Under this agreement, Eastern Iron had earned an 80% interest in the project and had obligations to continue sole funding ongoing exploration including the completion of a bankable feasibility study to retain its interest. PlatSearch held a free-carried 20% interest. Exploration and drilling across the 15 tenements held under the joint venture had identified a global Resource of 267 million tonnes of low grade channel iron grading 13.6% iron (above a 10% total iron cut-off grade).

The new agreement with PlatSearch will see the project tenements split into two groups, i.e. the Eastern Block, comprising four exploration licences containing 129 million tonnes of the identified iron Resource and the Western Block comprising 13 tenements and 138 million tonnes of the Resource. Under the new agreement ,PlatSearch will give up its 20% free-carried interest in the project tenements in return for a 51% contributing interest in the four Eastern Block tenements, with Eastern Iron holding the remaining 49% contributing interest. PlatSearch will retain no interest in the Western Tenements, in which Eastern Iron will hold 100%, and which are subject to the 3E joint venture arrangements. Upon completion of the proposed agreement with 3E and the Tenement Swap Agreement with PlatSearch, the original PlatSearch Joint Venture Agreement dated 30/1/2008 will expire and be replaced by a new agreement between Eastern Iron and PlatSearch.

Since PlatSearch is a major shareholder of Eastern Iron the Tenement Swap Agreement will require approval by Eastern Iron's shareholders (excluding PlatSearch and related party shareholders), at an Extraordinary General Meeting scheduled for October 2010.

The map on the previous page and table below show the tenement ownership interests as they are at present and how they will be if the proposed transactions proceed.

	Interests of Parties before restructure			Interests of Parties after restructure		
	PlatSearch	Eastern	3E	PlatSearch	Eastern	3E
Eastern Block Tenements						
EL 6956	20%	80%	0%	51%	49%	0%
EL 6711	20%	80%	0%	51%	49%	0%
EL 6954	20%	80%	0%	51%	49%	0%
EL 6706	20%	80%	0%	51%	49%	0%
Western Block Tenements *						
EL 6957	20%	80%	0%	0%	100%	0%*
EL 6958	20%	80%	0%	0%	100%	0%*
EL 6959	20%	80%	0%	0%	100%	0%*
EL 6960	20%	80%	0%	0%	100%	0%*
EL 6961	20%	80%	0%	0%	100%	0%*
EL 6962	20%	80%	0%	0%	100%	0%*
EL 6710	20%	80%	0%	0%	100%	0%*
EL 6671	20%	80%	0%	0%	100%	0%*
EL 6672	20%	80%	0%	0%	100%	0%*
EL 6952	20%	80%	0%	0%	100%	0%*
EL 6953	20%	80%	0%	0%	100%	0%*
EL 7282	0%	100%	0%	0%	100%	0%*
EL 7283	0%	100%	0%	0%	100%	0%*

* 3E will have a right to earn up to 77.5% in all Western Block Tenements under the 3E JV Agreement.

REVIEW OF OPERATIONS

Program for 2010-2011

Hawkwood

Based on a completed evaluation of the results of the recently completed drilling program and a decision to proceed further, the Company will continue its assessment of the Hawkwood Project. The next stages will most probably include the following milestones:

- A short diamond core drilling program in October/November 2010
- Preliminary Davis Tube analyses to determine recoverable magnetite contents and likely concentrate characteristics
- Resource drilling in early 2011
- Preliminary assessment/scoping studies in mid 2011

NSW Pisolite Iron Project

- Monitor progress of joint venture activities

Other

- Actively seek and evaluate opportunities for investment in advanced resource projects for commodities including iron, gold, copper and coal.

Eastern Iron intends to aggressively seek other opportunities for investment in advanced resource projects for commodities including iron, gold, copper and coal. In keeping with this objective the Company has recently applied for two competing applications for exploration permits for coal in the Bowen Basin in Queensland and a competing application for a brownfield gold opportunity in Papua New Guinea.

Greg De Ross
Managing Director

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

Magnetite on a sampling magnet

SCHEDULE OF TENEMENTS

Tenement	Tenement Number	Interest	Joint Venture Details
Cobar Project Area			
Cobar East	EL 6710	80%	PlatSearch 20%
Coolabah West	EL 6711	80%	PlatSearch 20%
Oakvale	EL 6706	80%	PlatSearch 20%
Hutch	EL 6751	0%	Drysdale Resources 100%, Note 1
Quartermaine	EL 6953	80%	PlatSearch 20%
Techno	EL 6954	80%	PlatSearch 20%
Tottington	EL 6956	80%	PlatSearch 20%
Wendoline	EL 6957	80%	PlatSearch 20%
Shaun	EL 6958	80%	PlatSearch 20%
Wallace	EL 6959	80%	PlatSearch 20%
Gromit	EL 6960	80%	PlatSearch 20%
Gorgonzola	EL 7282	100%	-
Camembert	EL 7283	100%	-
Main Line Project Area			
Bimbella	EL 6671	80%	PlatSearch 20%
Euabalong	EL 6672	80%	PlatSearch 20%
McGraw	EL 6961	80%	PlatSearch 20%
Flamingo	EL 6952	80%	PlatSearch 20%
Preston	EL 6962	80%	PlatSearch 20%
Queensland			
Hawkwood	EPMs 15289 and 17099	0%	Rugby 100%, Note 2
Auburn	EPM 18566	100%	-
Redwood	EPM 18533	100%	-
Fairhill	EPC 2175	100%	-
Rolleston	EPC 2206	100%	-

EL = Exploration Licence

EPM = Exploration Permit for Minerals

EPC = Exploration Permit for Coal

Note 1: Eastern Iron can earn 100%

Note 2: Joint Venture with Rugby Mining P/L and Rugby Mining Limited where by Eastern Iron can earn up to 80% interest

DIRECTORS' REPORT

Your Directors present the financial report of the Company for the period ended 30 June 2010.

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Glenn Goodacre, BA (Macquarie)

Non-Executive Chairman of the Board

Director since November 2007

Glenn Goodacre has a background as an investor in resources and private equities having commenced investing in resources in the late 1960s. He worked in the mining industry in the 1980s with Alkane Resources NL, Nauru Phosphate Corporation and Lachlan Resources NL and has been a director of a listed explorer from 1987 till 2003. His experience encompasses the pre-float stages of mineral explorers through to management roles in established mining and exploration companies in Australia and the Pacific.

Glenn has participated in the private equity industry since 1990 and he brings broad business strategy and commercial experience to the Board of Eastern Iron as well as extensive networks with brokers and mining companies. He is currently a director of several unlisted businesses including Accord Capital Investors Pty Ltd and Swift Electroplaters (NSW) Pty Ltd.

Greg De Ross, BSc (Monash), FAusIMM

Managing Director

Director since July 2010

Greg De Ross is a geologist with over 30 years experience in corporate management, exploration and mining. His experience has included a variety of roles in areas covering exploration management, feasibility studies, resource development and mining in commodities such as base and precious metals, uranium, mineral sands, coal and iron ore. He has worked extensively in Central and South East Asia, Oceania and Australia.

Prior to joining Eastern Iron he was General Manager for a Chinese company seeking investment opportunities in the Australian and Chinese resources sector. Previous to this he spent 12 years with Highlands Pacific / Highlands Gold as General Manager Exploration where he had responsibility for exploration and pre-development work on a variety of projects including the Ramu Nickel, Frieda Copper and Kainantu Gold projects.

Greg has extensive commercial experience covering joint venture negotiation and project acquisition. He is also currently a director of TSX listed Garrison International Ltd.

Peter Buckley, BSc, Hons (New England), MAIG

Non-Executive Director

Director since July 2007 (Retired as Managing Director on 1 March 2010)

Peter Buckley has 17 years experience in minerals exploration, resource development, project generation, geoscience research and administration. His career includes gold, base and ferrous metal exploration in Western Australia and New South Wales, working with companies including Plutonic Resources Limited, Lachlan Resources NL and Homestake Gold of Australia Limited.

Peter has also worked in government geological research, regional geological mapping, geoscience data provision and management within the Geological Survey of New South Wales. He is the Exploration Manager of PlatSearch NL.

Wendy Corbett, BSc, Dip Ed (Sydney), MAIG

Non-Executive Director

Director since November 2007

Wendy Corbett has 38 years experience in mineral exploration and administration. Since 1995 Wendy has specialised in the application of computer technology to tenement management, databases, mapping and GIS applications. She has developed and maintains database systems to manage the Company's large quantity of technical data. She has considerable experience in exploration, project and joint venture management.

She is a member of the New South Wales Geological Advisory Committee that advises the Minister for Mineral Resources on matters relating to the Geological Survey of New South Wales.

Gregory F P Jones, BSc Hons (UTS), MAusIMM

Non-Executive Director

Director since April 2009

Greg Jones is a geologist with 31 years of exploration and operational experience gained in a broad range of metalliferous commodities both within Australia and overseas. Greg has held senior positions in a number of resource companies including Western Mining Corporation and Sino Gold and his experience spans the spectrum of exploration activity from grass-roots exploration through to resource definition and new project generation, as well as mine geology, ore resource/reserve generation and new mine development.

Greg was awarded the Institute Medal for academic excellence whilst at university and is credited with several economic discoveries including the Blair nickel and the Orion gold deposits in Western Australia. He is a Director of PlatSearch NL and associated companies Silver City Minerals Limited and Thomson Resources Ltd.

Steve Gemell, BE Mining (Hons), FAusIMM (CP), MAIME, MMICA

Non-Executive Director

Director since January 2010

Steve Gemell is a consulting mining engineer with more than 30 years experience in the mining industry, both in Australia and overseas. He has previously held senior operating roles including CEO positions, and executive and non-executive Directorships in ASX-listed mining companies and unlisted mine operations or joint ventures. His experience has included a variety of roles in areas covering resource development, feasibility studies, mine planning, and operations in a large range of commodities including base and precious metals and uranium.

Steve is currently a Non-Executive Director of Uranium Exploration Australia Limited and Argent Minerals Limited.

Bob Richardson, BSc (Sydney), BE (Hons) (Sydney), MAusIMM, MASEG

Non-Executive Director

Director since July 2007, Retired August 2009

Bob Richardson has 43 years experience in mineral exploration management, geophysics and exploration technology. His career includes 16 years with the Peko-Wallsend Group as Chief Geophysicist and Exploration Manager.

He was a founder in 1976 and Managing Director of Austirex Aerial Surveys Pty Ltd that became a major international airborne geophysical contractor. Bob was a co-founder and Managing Director of Lachlan Resources NL in 1986 and PlatSearch NL in 1987. He is a Non-Executive Director of Western Plains Resources Ltd and Crossland Uranium Mines Limited.

Directorships in Other Listed Companies

Name	Company	Period of Directorship
G Jones	PlatSearch NL	Appointed April 2009
S Gemell	Argent Minerals Limited	Appointed July 2010
	Uranium Exploration Australia Limited	Appointed March 2005
	Allstate Explorations NL	Appointed February 2007, Resigned October 2007
	Cluff Resources Pacific NL	Appointed April 2003, Resigned March 2008
R Richardson	Western Plains Resources Ltd	Appointed November 2004
	PlatSearch NL	Appointed 1987, Resigned July 2010
	Crossland Uranium Mines Limited	Appointed May 2006

Directors' Interests in Shares and Options

Directors' interests in shares and options as at the date of this report are set out in the table below.

Director	Shares Directly and Indirectly Held	Options
G Goodacre	320,000	660,000
G De Ross	-	1,200,000
P Buckley	100,000	1,050,000
W Corbett	50,000	275,000
G Jones	-	-
S Gemell	-	-

DIRECTORS' REPORT

Remuneration of Directors and Senior Management

Information about the remuneration of directors and senior management is set out in the remuneration report of this Directors' Report on pages 13 to 17.

Company Secretary

Michelle Lilley, Chartered Accountant, is the Company Secretary and Financial Controller of Eastern Iron since November 2007. Michelle is an experienced financial accountant who holds a Bachelor of Business (Accounting). Her experience has been gained over 16 years in financial and management accounting and includes Finance Manager for an ASX listed company in the bioscience industry and as a financial accountant for an ASX listed iron ore development company. Michelle previously held the Company Secretary position for an ASX listed company in the educational software industry.

Principal Activities

The principal activity of the Company is the exploration for and delineation of 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 $593,336.

Dividends

No dividends were paid or proposed during the period.

Review of Operations

A review of the operations of the Company during the financial period and the results of those operations are contained in pages 2 to 8 in this report.

Corporate Structure

Eastern Iron Limited is a limited company that is incorporated and domiciled in Australia.

Significant Changes

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

Matters Subsequent to the End of the Financial Period

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2010 that have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years, other than:

- Eastern Iron and 3E Steel Pty Ltd have signed a joint venture agreement whereby 3E may earn up to a 77.5% interest in a number of Eastern Iron exploration licences. In tandem with this, Eastern Iron and PlatSearch NL have renegotiated its joint venture agreement such that Eastern Iron will own 49% of selected exploration licences and iron resources, subject to Eastern Iron shareholder approval.

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 iron ore, precious and base metal exploration and evaluation targets.

Shares Under Option or Issued on Exercise of Options

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

No. Shares Under Option	Class of Share	Exercise Price of Option	Expiry Date of Options
4,270,000	Ordinary	$0.25	19 Dec 2010
20,315,000	Ordinary	$0.12	19 Dec 2010
5,000,000	Ordinary	$0.35	19 Dec 2012
1,200,000	Ordinary	$0.18	9 Mar 2015

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.

There were 2,685,000 shares issued during or since the end of the financial year as a result of exercise of the above options.

DIRECTORS' REPORT

Remuneration Report (Audited)

This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of Eastern Iron Limited's Directors and its senior management for the financial year ended 30 June 2010. The prescribed details for each person covered by this report are detailed below.

Director and Senior Management Details

The following persons acted as Directors of the company during or since the end of the financial year:

Mr Glenn Goodacre

Mr Greg De Ross (appointed July 2010)

Mr Peter Buckley

Ms Wendy Corbett

Mr Greg Jones

Mr Steve Gemell (appointed January 2010)

Mr Bob Richardson (retired August 2009)

The term "senior management" is used in this remuneration report to refer to the following person:

Ms Michelle Lilley (Company Secretary and Financial Controller)

Policy and Principles Used to Determine the Nature and Amount of Remuneration

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.

Board and Senior Management

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 are entitled to receive options under the Company's Employee Share Option Scheme.

Remuneration of Directors and Senior Management

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-Executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the Non-Executive Directors has been fixed at a maximum of $250,000 per annum to be apportioned among the Non-Executive Directors 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.

The Directors have resolved that the Chairman's annual fee be $30,000 and that Non-Executive Directors fees be $24,000 per annum. Additionally, members of the Board Committees are paid 10% of Non-Executive Director fees.

Details of the nature and amount of each element of remuneration for each of the Directors of Eastern Iron Limited and Senior Management of the Company who received the highest emoluments during the year ended 30 June 2010 are set out in the following table.

DIRECTORS' REPORT

Director and Key Management remuneration 2010

2010	Salary $	Director fees $	Consulting $	Superannuation $	Options $	Total $	Performance related %
Directors							
G Goodacre	-	28,624	23,265	2,576	-	54,465	-
G De Ross	79,511	-	-	7,156	56,960	143,627	39.7%
P Buckley (a)	-	7,339	98,350	661	-	106,350	-
W Corbett	-	22,569	46,084	2,031	-	70,684	-
G Jones (b)	-	22,018	15,038	1,982	-	39,038	-
S Gemell	-	11,814	1,207	1,063	-	14,084	-
B Richardson	-	771	9,391	-	-	10,162	-
	79,511	93,135	193,335	15,469	56,960	438,410	
Other key management personnel							
M Lilley	-	-	37,758	-	-	37,758	-
	-	-	37,758	-	-	37,758	

(a) The Company engaged PlatSearch NL (PlatSearch) to provide the services of Peter Buckley as the Company's Managing Director until 1 March 2010 and as a geological consultant post 1 March 2010. Peter Buckley is a full time employee of PlatSearch and fees totalling $98,350 were paid to PlatSearch. PlatSearch is a 48.65% shareholder in Eastern Iron.

(b) The Company engaged PlatSearch to provide the services of Greg Jones. Fees totalling $15,038 were paid to PlatSearch. PlatSearch is a 48.65% shareholder in Eastern Iron.

Director and Key Management remuneration 2009

2009	Salary $	Director fees $	Consulting $	Superannuation $	Options $	Total $	Performance related %
Directors							
G Goodacre	-	27,523	22,660	2,477	-	52,660	-
G De Ross	-	-	-	-	-	-	-
P Buckley (a)	-	-	159,770	-	-	159,770	-
W Corbett	-	22,018	42,372	1,982	-	66,372	-
G Jones (b)	-	4,103	1,279	369	-	5,751	-
S Gemell	-	-	-	-	-	-	-
B Richardson (c)	-	22,018	26,810	1,982	-	50,810	-
	-	75,662	252,891	6,810	-	335,363	
Other key management personnel							
M Lilley	-	-	53,475	-	-	53,475	-
	-	-	53,475	-	-	53,475	

(a) The Company engaged PlatSearch NL (PlatSearch) to provide the services of Peter Buckley as the Company's Managing Director. Peter Buckley is a full time employee of PlatSearch and fees totalling $159,770 were paid to PlatSearch. PlatSearch is a 48.65% shareholder in Eastern Iron.

(b) The Company engaged PlatSearch NL to provide the services of Greg Jones. Fees totalling $5,382 were paid to PlatSearch. PlatSearch is a 48.65% shareholder in Eastern Iron.

(c) The Company engaged PlatSearch NL to provide the technical services and Directors fees of Bob Richardson until 31 December 2008. Fees totalling $31,169 were paid to PlatSearch. PlatSearch is a 48.65% shareholder in Eastern Iron.

DIRECTORS' REPORT

Share-based Compensation

Employee Share Option Plan

The Company has established the Eastern Iron Employee Share Option Plan ("Plan") to assist in the attraction, retention and motivation of employees of the Company. There have been 1,200,000 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 is set out below. All full-time employees will be eligible to participate in the Plan. The allocation of options to each employee is in 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

The following options were granted during the financial year.

Share-based payments awarded during the year to Directors and Key Management

2010	Grant Date	Number Granted No.	Number Vested No.	Vested %	Value of Options Granted at the Grant Date (Note 14) $	Number of Options Exercised No.	Value of Options Exercised at the Exercise Date $	Value of Options Lapsed at the Date of Lapse $
G De Ross	9 Mar 10	1,200,000	600,000	50%	85,440	-	-	-

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. There were no options exercised during the year.

For details on the valuation of the options, including models and assumptions used, please refer to Note 14.

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.

Service Agreements

Remuneration and other terms of employment for the directors and executives are formalised in Service/Appointment agreements.

Glenn Goodacre

Glenn Goodacre is paid director's fees through Goro Investments Pty Limited (a company of which Mr Goodacre is a director). In November 2007 the Company engaged Goodacre Trading Company Pty Ltd (a company of which Mr Goodacre is a director) through a consultancy agreement with no fixed term to provide consultancy services related to strategic, due diligence, business advice and assistance with the commercial and corporate development of the business at the rate of $220 per hour. The Company may terminate the Agreement by notice in writing to Mr Goodacre if it breaches the Agreement and fails to remedy such a breach with 14 days of receipt of the notice.

Peter Buckley

The Company engaged PlatSearch NL to provide the services of Peter Buckley as an Exploration Manger with no fixed term. The Company reimburses PlatSearch monthly in arrears for the time spent by Mr Buckley at the rate of $80 per hour.

Wendy Corbett

Wendy Corbett is paid director's fees through DT Corbett Engineering Pty Ltd (a company of which Ms Corbett is a director). In November 2007 the Company entered into an agreement with no fixed term with DT Corbett Engineering Pty Ltd (DT Corbett) to provide technical services relating to the targeting, exploration, interpretation and understanding of iron ore resources in Australia as well as maintenance of the existing exploration tenements.

In consideration for its technical services, the Company will pay DT Corbett fees at the rate of $99 per hour. One month's notice is required by either party to terminate the Agreement.

Greg Jones

The Company engaged PlatSearch NL to provide the services of Greg Jones as Non-Executive Director of Eastern Iron and to provide general geological and management services including exploration advice, resource estimation and scoping/mine studies. The Agreement has no fixed term. The Company reimburses PlatSearch monthly in arrears for the time spent by Mr Jones at the rate of $145 per hour.

Steve Gemell

In March 2010 the Company engaged Gemell Mining Engineers (in which Steve Gemell has a material interest) through an agreement with no fixed term to provide corporate consultancy services at the rate of $180 per hour, or other consulting services at Gemell Mining Engineers' published rates at the time, as may be requested on a case-by-case basis by the Chairman or Managing Director respectively. No notice is required by either party to terminate the agreement.

DIRECTORS' REPORT

Bob Richardson

Bob Richardson's Director fees and consulting services were payable through GeoTangent Pty Ltd (a company of which Mr Richardson is a Director) commencing
1 January 2009 until 12 July 2010 (when the Agreement was terminated). The Company paid GeoTangent $187.50 per hour for Bob's consulting services. The Agreement has no fixed term and one month's notice is required by either party to terminate the Agreement.

Michelle Lilley

Michelle Lilley, Company Secretary and Financial Controller, provides company secretarial services and accounting services through Bluefish Consulting Pty Ltd (a company of which Ms Lilley is a director). The Agreement has no fixed term.

In consideration for its services, the Company will pay Bluefish Consulting Pty Ltd fees at the rate of $93 per hour. One month's notice is required by either party to terminate the Agreement.

Meetings of Directors

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each director:

	Board of Directors		Remuneration and Nomination Committee		Audit Committee	
Director	Held	Attended	Held	Attended	Held	Attended
G Goodacre	4	4	2	2	3	3
G De Ross	-	-	-	-	-	-
P Buckley	4	4	-	-	-	-
W Corbett	4	4	-	-	3	2
G Jones	4	4	2	2	-	-
S Gemell	2	2	1	1	2	2

The duties of the Corporate Governance Committee were carried out by the full Board at Board meetings for the 2010 financial year.

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.

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.

Proceedings

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the company for all or part of the proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Environmental Performance

Eastern Iron holds exploration licences issued by New South Wales Department of Primary Industries – Mineral Resources, which specify 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.

Auditor's Independence and Non-Audit Services

The Company's auditor, Barnes Dowell James did not provide non-audit services for Eastern Iron during the financial year ended 30 June 2010. 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. The Directors received a declaration of independence from the auditors of Eastern Iron Limited. It is located on page 51 and forms part of this report.

Signed at Sydney this 22nd day of September 2010 in accordance with a resolution of the Directors.

G Goodacre
Chairman

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Eastern Iron is responsible for the corporate governance of the Company and is committed to maintaining a high standard of governance.

The Board monitors the management, business and affairs of Eastern Iron on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board draws on relevant best practice principles, particularly the ASX revised *Corporate Governance Principles and Recommendations (2nd edition)* issued by the ASX Corporate Governance Council (the Principles).

The Principles are reviewed on a periodic basis and Eastern Iron endeavours to adhere to the Principles, mindful that there may be some instances where compliance is not practicable for a company of its size and level of operations.

In many cases, the Company is achieving the standards required by the Principles. In a number of instances, the Company may not meet certain standards set out in the Principles. Where the Company does not meet the recommendations, the Board anticipates that, as the Company's operations grow, it will adjust its structure over time to satisfy the relevant Principles.

This statement addresses each of the eight ASX Corporate Governance Recommendations. Each Recommendation is set out and followed with an explanation of our corporate governance practices. The extent to which Eastern Iron has followed the recommendations is addressed and the Company has identified any Principles that have not been followed (and provided reasons for not doing so).

Principle 1: Lay solid foundations for management and oversight

The Company has established the functions reserved to the Board and those delegated to Senior Executives. A summary of the Board's role is stated below:

The role and responsibility of the Board

The Board Charter outlines the roles and responsibilities of the Board and, in conjunction with the Constitution, allows the Board to determine those matters to be delegated to its Committees and Senior Executives.

The Board's responsibilities include:

- Approval and review of corporate strategic direction and major operating plans;
- Approval of budgets. Monitoring the operational and financial positions and performance of the Company and other reporting;
- Appointment and removal of the CEO;
- Evaluating the performance of the CEO;
- Review and approve the Company's policy on risk oversight and management of material business risks;
- Monitoring the effectiveness of the risk management and internal control systems through oversight and management reports;
- Approving and monitoring major capital expenditure, acquisitions and divestitures above the authority level delegated to management;
- Determining dividend policy;
- Ensuring appropriate resources are available to Senior Executives;
- Appointment and removal of external auditor including terms of appointment and remuneration.

The Constitution and Board Charter is available on Company's website 'www.easterniron.com.au'.

Directors' appointment letter

A formal letter is provided to Directors upon appointment setting out the key terms and conditions of their appointment. The Company's appointment letter to Directors contains the elements suggested in Box 1.1 of the ASX principles.

Authority delegated to CEO/Managing Director

The CEO/Managing Director is responsible for the day to day management of the Company and its operations. Further details of responsibilities are set out in the Company's Board Charter.

Management performance evaluation

The Board, in conjunction with the Remuneration Committee, is responsible for approving the performance objectives and measures for the CEO/Managing Director. Performance evaluations are conducted annually against individual and Company performance objectives. Performance evaluations of management are conducted by the CEO/Managing Director. The management performance evaluations for the current financial year were conducted in June 2010 in accordance with Company's policy.

To ensure that management are able to participate fully and actively in management decision making and to be able to meet their performance objectives, management are provided with an induction package on appointment.

Principle 2: Structure the Board to add value

The composition of the Board has been determined on the basis of providing the Company with an appropriate range of technical, administrative and financial skills, combined with an appropriate level of experience at a corporate management level. The Board comprises of one Executive and five Non-Executives. For details on the skills,

CORPORATE GOVERNANCE STATEMENT

experience and expertise of each Director, as well as the period of office held by each Director, please refer to page 10 of the Directors' Report.

Director independence

The Board regularly assesses the independence of each Director. Directors are considered to be independent if they are free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of their judgement.

The Board has applied the points set out in ASX Box 2.1 "Relationships affecting independent status" of the Principles in determining director independence. In the context of director independence, a relationship is considered "material" if the payment made to a director or related party is greater than 10 percent of the Company's expenses for that financial year.

In accordance with the definition of independence above, the following Directors are considered to be independent:

Mr Glenn Goodacre (Non-Executive Chairman)
Mr Steve Gemell (Non-Executive Director)

Mr Goodacre and Mr Gemell undertake consultancy work for the Company, however, it is under the Company's materiality threshold of 10 percent and therefore, is not considered to affect their independence.

The remaining Non-Executive Directors of the Company are not considered to be independent due to their association with a substantial shareholder of the Company, PlatSearch NL. All Directors also undertake consultancy work for the Company. The Board considers that the skills and experience of the current non-independent Directors are essential in this current phase of operations, in light of the nature and size of the Company and its business interests. The Board is of the view that its members have a sufficiently broad mix of skills and that the Directors' level of experience enables them to be aware of and capable of acting in an independent manner and in the best interests of shareholders.

All Directors, whether independent or not, are expected to bring an independent judgement to Board decisions. To facilitate this, each Director may obtain independent experts advice to enable them to fulfil their obligations at the expense of the Company after obtaining approval by the Chairman.

Independence and role of Chairman

The Board considers the Chairman, Mr Glenn Goodacre to be independent as per the guidelines of director independence stated in this principle.

The role of the Chairman is described in the Company's Board Charter which is available on the Company's website 'www.easterniron.com.au'. The role of the Chair and the CEO is not exercised by the same individual, as recommended by the ASX Principles.

Board Remuneration and Nomination Committee

The Remuneration and Nomination Committee was established to make recommendations on selection, competencies and re-election of Directors as well as assisting the Board in the oversight of the Company's remuneration policies. Further details of the responsibilities of the Committee can be found on the Company's website 'www.easterniron.com.au'. The Remuneration and Nomination Committee consists of three members, their names and attendance at meetings are detailed on page 17 of the Directors Report.

Board performance review

The Board reviews its performance annually to ensure that individual Directors and the Board as a whole work efficiently and effectively in achieving their functions and duties. The Chairman meets annually with the Board to conduct a review of individual Directors and the Board as a whole. The Board's performance was reviewed against its responsibilities as stated in the Company's Board Charter in September 2010 in accordance with the Company's policy. On appointment a new director is given an induction pack to ensure that new directors gain an overall understanding of the Company and their role as a director.

Principle 3: Promote ethical and responsible decision making

Code of ethics and conduct

The Company's Code of Ethics and Conduct promotes ethical and responsible decision making by Directors and employees. The Code requires high standards of honesty, integrity, fairness and equity in all dealings internally and externally. The Code of Ethics and Conduct is available on the Company's website 'www.easterniron.com.au'.

Securities trading policy

The Company's Securities Trading Policy governs when Eastern Iron's Directors, employees and key consultants may deal in the Company's securities and the procedures that must be followed for such dealings.

Trading in the Company's securities is permitted only during trading windows, which are open for a period of up to five weeks commencing the day after the announcement of the half year financial results, full year financial results and the AGM, quarterly report or a major announcement leading, in the opinion of the Board, to an informed market.

CORPORATE GOVERNANCE STATEMENT

All staff are required to seek approval before trading in the Company's shares during the trading window with the Chairman of the Board or the Managing Director.

The Company prohibits Directors, employees and key consultants from using derivatives or entering into transactions that operate, or are intended to operate, to limit the economic risk of security holdings over unvested Eastern Iron shares.

Directors, employees and key consultants are prohibited from buying or selling Company shares at any time if they are aware of price sensitive information that has not been made public.

Principle 4: Safeguard integrity in financial reporting

Audit Committee

The Audit Committee consists of three Non-Executive Directors. The current members of the Audit Committee are Ms Corbett (Chairperson), Mr Goodacre and Mr Gemell. The Committee members are considered to have appropriate expertise and skills required for an Audit Committee.

As recommended the Committee has at least three members and the majority of members are independent. For the financial year ended 30 June 2010, the Company did not comply with the recommendation that the Audit Committee be chaired by an independent director, however in September 2010 an independent chair was appointed. Mr Goodacre and Mr Gemell are considered independent as described under Principle 1. Further details on the qualifications of the Directors are on page 10 and the number of meetings held and attendance of members are on page 17 of the Directors' Report.

The Audit Committee reviews the external auditor's term of engagement and audit plan, and assesses the independence of the external auditor. The Company is satisfied that the level of non-audit work carried out by the external auditor is compatible with maintaining audit independence.

The Audit Committee's Charter sets out its role, responsibilities, membership requirements, auditor selection and rotation and is available on the Company's website "www.easterniron.com.au".

Principle 5: Make timely and balanced disclosure

Continuous disclosure

The Company is committed to maintaining a level of disclosure that meets the highest standards and provides all investors with timely and equal access to information. The Company's Continuous Disclosure Policy is designed to ensure compliance with ASX Listing Rule requirements and has considered suggestions made in Box 5.1 of ASX Principle 5.

The Continuous Disclosure Policy is available on the Company's website 'www.easterniron.com.au'.

Principle 6: Respect the rights of shareholders

Shareholder communications policy

The Company strives to communicate effectively and transparently with shareholders and the community. The Company's Shareholder Communication Policy includes the following elements to ensure shareholders receive timely and equal access to balanced information:

- Material announcements released to the market are posted on the Company's website as soon as it is practical after it is released to the ASX;
- Information provided to analysts or media during briefings are released to ASX and then posted on the Company's website;
- The full text of Notice of Meetings, Explanatory Notes and the last three years of material ASX announcements and financial reports are posted on the Company's website.

Further information about the Shareholder Communication Policy is available on the Company's website 'www.easterniron.com.au'.

Annual General Meeting (AGM)

The Company's AGM is considered an important opportunity for communicating with shareholders and encouraging active shareholder participation. Shareholders are encouraged to attend the AGM and the Company's external Auditor will be available at the AGM to answer shareholder questions about the conduct of the audit, and the preparation and content of the Independent Audit Report.

Principle 7: Recognise and manage risk

It is the Company's belief that an effective risk management system is integral to the Company's strategic objectives and maintaining shareholder value. The Company's Risk Management Policy reflects the Company's risk profile and tolerance levels.

Risk management roles and responsibilities

The Board is responsible for reviewing the Company's policies for the oversight and management of material business risks and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Management is responsible for the design, implementation and development of risk management and internal control systems to manage material business risks. The Board reviews the effectiveness of the implementation of the risk management system annually.

The Board does not have a formal Risk Committee and issues normally covered by a Risk Committee are discussed at each Board meeting.

Managing Director and Financial Controller assurance

The Board receives reports about the financial condition and operational results of the Company from management.

The Managing Director and the Financial Controller annually provide formal statements to the Board, and have done so for the year ended 30 June 2010. The statements declare that the Company's financial reports give a true and fair view, in all material respects, of the Company's financial position and comply in all material respects with relevant accounting standards. The statement also provides that declarations made are provided in accordance with section 295A of the Corporations Act and are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Managing Director and the Financial Controller have reported to the Board in accordance with ASX Principle 7.2, that the risk management and internal control systems are operating effectively in relation to material business risks for the period.

A summary of the Risk Management Policy is available on the Company's website 'www.easterniron.com.au'.

Principle 8: Remunerate fairly and responsibly

Remuneration and Nomination Committee

The Board has a Remuneration and Nomination Committee. The Committee assists the Board by reviewing and recommending to the Board on the Company's remuneration policies and practices.

The Committee consists of three members of which a majority are independent. For the financial year ended 30 June 2010, the Company did not comply with the recommendation that the Remuneration and Nomination Committee be chaired by an independent director, however in September 2010 an independent chair was appointed.

Details of the names and attendance of members at meetings are on page 17 of the Directors Report.

A summary of the Remuneration and Nomination Committee Charter is available on the Company's website 'www.easterniron.com.au'.

Remuneration of Directors and Executives

Non-Executive Directors are paid an annual fee and do not receive performance related payments or bonuses. No options have been issued to Non-Executive Directors in the period ended 30 June 2010.

Executive remuneration packages are formulated to align executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Company has an Employee Share Option Plan which is summarised in the Directors' Report. The Company believes that its measures of equity-based remuneration are appropriate and shareholder approval is not required for payment of equity-based executive remuneration.

There are no schemes for retirement benefits other than statutory superannuation. The Company prohibits the entering into transactions in products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

Further details on the remuneration of Directors and Executives are disclosed on pages 13 to 17 of the Directors' Report.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 $	2009 $
		$	$
REVENUE	3	132,504	234,645
Annual report and other shareholder costs		(6,766)	(10,117)
ASX and ASIC fees		(23,721)	(20,294)
Audit fees		(16,500)	(13,000)
Contract administration services		(141,228)	(170,689)
Directors fees		(93,135)	(82,471)
Exploration expenditure expensed		(8,823)	(145,313)
Insurance		(13,597)	(13,411)
Recruitment expenses		(61,253)	-
Rent		(25,780)	(32,067)
Salary and superannuation payments		(93,053)	(6,810)
Share based payments		(56,960)	(2,808)
Other expenses from ordinary activities		(56,468)	(39,746)
LOSS BEFORE INCOME TAX EXPENSE		(464,780)	(302,081)
Income tax expense	4	(128,556)	-
LOSS AFTER INCOME TAX EXPENSE	13	(593,336)	(302,081)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the period, net of tax		-	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF EASTERN IRON LIMITED		(593,336)	(302,081)
Basic loss per share (cents per share)	15	1.29	0.66
Diluted loss per share (cents per share)	15	1.29	0.66

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

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2010

	Note	2010 $	2009 $
CURRENT ASSETS			
Cash assets	5	2,679,433	3,306,689
Receivables	6	51,428	45,109
TOTAL CURRENT ASSETS		2,730,861	3,351,798
NON-CURRENT ASSETS			
Tenement security deposits	7	120,000	120,000
Property, plant and equipment	8	30,086	25,975
Deferred exploration and evaluation expenditure	9	1,861,682	1,429,648
TOTAL NON-CURRENT ASSETS		2,011,768	1,575,623
TOTAL ASSETS		4,742,629	4,927,421
CURRENT LIABILITIES			
Payables	10	73,606	179,567
Provisions	11	6,789	-
TOTAL CURRENT LIABILITIES		80,395	179,567
TOTAL LIABILITIES		80,395	179,567
NET ASSETS		4,662,234	4,747,854
EQUITY			
Contributed equity	12	5,557,326	5,106,570
Accumulated losses	13	(1,066,617)	(473,281)
Reserves	14	171,525	114,565
TOTAL EQUITY		4,662,234	4,747,854

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED TO 30 JUNE 2010

	Note	2010 $	2009 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers and employees		(525,340)	(322,213)
Rental income		1,536	-
Interest received		118,690	263,181
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	24	(405,114)	(59,032)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of motor vehicle and fixed assets		(10,820)	(9,772)
Expenditure on mining interests (exploration)		(533,522)	(991,133)
Tenement security deposits		-	(20,000)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(544,342)	(1,020,905)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		322,200	-
Equity raising expenses		-	(42,217)
NET CASH FLOWS FROM FINANCING ACTIVITIES		322,200	(42,217)
Net increase/(decrease) in cash held		(627,256)	(1,122,154)
Add opening cash brought forward		3,306,689	4,428,843
CLOSING CASH CARRIED FORWARD	24	2,679,433	3,306,689

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED TO 30 JUNE 2010

	Attributable to the shareholders of Eastern Iron Limited			
	Issued Capital $	Accumulated Losses $	Reserves $	Total Equity $
AT 1 July 2008	5,146,937	(171,200)	111,757	5,087,494
Loss for the period	-	(302,081)	-	(302,081)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	-	(302,081)	-	(302,081)
Transactions with owners in their capacity as owners:				
Cost of share based payments taken directly to Equity	-	-	2,808	2,808
Issue of share capital, net of transaction costs	(40,367)	-	-	(40,367)
AT 30 JUNE 2009	5,106,570	(473,281)	114,565	4,747,854
AT 1 July 2009	5,106,570	(473,281)	114,565	4,747,854
Loss for the period	-	(593,336)	-	(593,336)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	-	(593,336)	-	(593,336)
Transactions with owners in their capacity as owners:				
Cost of share based payments taken directly to Equity	-	-	56,960	56,960
Issue of share capital, net of transaction costs	450,756	-	-	450,756
AT 30 JUNE 2010	5,557,326	(1,066,617)	171,525	4,662,234

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

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. CORPORATE INFORMATION

The financial report of Eastern Iron Limited (the Company) for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the Directors on 22 September 2010.

Eastern Iron 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 nature of the operations and principal activities of the Company are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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.

(b) 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).

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Eastern Iron Limited (Eastern Iron 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.

(d) 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 - 5 years

Motor vehicle – 6 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.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(f) Interest in jointly controlled operations – joint ventures

The Company has an interest in exploration joint ventures that are jointly controlled. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Company recognises its interest in the jointly controlled operations by recognising the assets that it controls and the liabilities that it incurs. The Company also recognises the expenses that it incurs and its share of any income that it earns from the sale of goods or services by the jointly controlled operations.

NOTES TO AND FORMING PART OF THE ACCOUNTS

(g) 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.

(h) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. After initial recognition, investments, which are classified as held-for-trading and available-for-sale, are measured at fair value. Gains or losses on investments held-for-trading are recognised in the income statement. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process. For investments that are actively traded in organised financial markets, fair value is determined by reference to Securities Exchange quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, being the date that the Company commits to purchase he asset.

(i) 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; or
- 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.

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.

(j) 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.

(k) Trade and other receivables

Trade receivables, which generally have 7-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(l) 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.

(m) 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.

(n) 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. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date.

(o) 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:

(i) the extent to which the vesting period has expired, and

(ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

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.

(p) Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(q) 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:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

NOTES TO AND FORMING PART OF THE ACCOUNTS

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.

Dividends

Revenue is recognised when the shareholder's right to receive the payment is established.

(r) 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; and
- 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; and
- 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.

(s) 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; and
- 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.

NOTES TO AND FORMING PART OF THE ACCOUNTS

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

(t) Currency

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

(u) Investment in controlled entities

The Company's investment in its controlled entities is accounted for under the equity method of accounting in the Company's financial statements.

(v) 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 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.

(w) 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 and Scholes formula taking into account the terms and conditions upon which the instruments were granted, as detailed in Notes 14 and 16.

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.

(x) 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.

(y) 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.

NOTES TO AND FORMING PART OF THE ACCOUNTS

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; and
- 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.

(z) New accounting standards and interpretations

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report. Adoption of these Standards did not have any effect on the financial position or performance of the Consolidated Entity.

AASB 2009-7 Amendments to Australian Accounting Standards effective 1 July 2009

The amendments are editorial amendments to AASB 5, AASB 7, AASB 107, AASB 112, AASB 136, AASB 139 and AASB Interpretation 17 that have no major impact on the requirements of the amended pronouncements.

AASB 8 Operating Segments effective 1 July 2009

Operating segments are identified and segment information disclosed on the basis of internal reporting that are regularly provided to, or reviewed by, the chief operating decision makers, the Board of directors.

AASB 2 Share Based Payments effective 1 July 2009

The amendments relate to share-based payments requirements for vesting conditions and cancellations.

AASB 127 Consolidated and Separate Financial Statements effective 1 July 2009

AASB 127 (revised 2008) requires that a change in the ownership interest of a subsidiary (without a change in control) is to be accounted for as a transaction with owners in their capacity as owners. Therefore such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss in the statement of comprehensive income. Furthermore the revised Standard changes the accounting for losses incurred by a partially owned subsidiary as well as the loss of control of a subsidiary. The changes in AASB 3 (revised 2008) and AASB 127 (revised 2008) will affect future acquisitions, changes in, and loss of control of, subsidiaries and transactions with non-controlling interests.

AASB 101 - Presentation of Financial Statements effective 1 July 2009

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

AASB 3 (Revised) Business Combinations effective 1 July 2009

The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets.

AASB 7 - Financial Instruments: Disclosures

The amended Standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to all financial instruments recognised and measured at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in note 29. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in note 29.

NOTES TO AND FORMING PART OF THE ACCOUNTS

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 2010. At this time the following standards and interpretations may have an impact, but the impact is not considered to be significant:

AASB 2 share based payment effective 1 July 2010

The amendments clarify the accounting for group cash-settled share-based payment transactions.

AASB 9 Amendments to Australian Accounting Standards arising from AASB 9 effective 1 July 2013

The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes:

- two categories for financial assets being amortised cost or fair value
- removal of the requirement to separate embedded derivatives in financial assets
- strict requirements to determine which financial assets can be classified as amortised cost or fair value,
- an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition
- reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes
- changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income

AASB 2009-12 Amendments to Australian Accounting Standards effective 1 July 2011

This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations and the amendment to AASB 124 clarifies and simplifies the definition of a related party.

AASB 124 – Related Party Disclosures

The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including:

(a) the definition now identifies a subsidiary and an associate with the same investor as related parties of each other.

(b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other, and

(c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other.

NOTES TO AND FORMING PART OF THE ACCOUNTS

3. REVENUE FROM ORDINARY ACTIVITIES

	2010 $	2009 $
Interest received – other persons/corporation	132,149	233,463
Rental income	355	1,182
	132,504	234,645

4. INCOME TAX

	2010 $	2009 $
Income tax expense		
The major components of income tax expense are:		
Current income tax		
Current income tax benefit	-	-
Deferred income tax		
Relating to origination and reversal of temporary differences	206,024	-
Recognition of previously unrecognised losses	(77,468)	-
Income tax (benefit)/expense reported in the Statement of Comprehensive Income	128,556	-
Reconciliation		
Prima facie income tax (benefit)/expense on operating (loss)/profit at 30%	(139,434)	-
Non-deductible expenses	17,333	-
Recognition of previously unrecognised losses	(77,468)	-
De-recognition of current year loss	279,124	-
Recognition / de-recognition of temporary differences	49,001	-
Income tax (benefit)/expense	128,556	-
Recognised deferred tax assets and liabilities		
Opening deferred tax liability balance	-	-
Charged to income expense / (benefit)	128,556	-
Charged to equity (credit)	(128,556)	-
Closing balance	-	-
Tax(benefit)/expense in the Statement of Comprehensive Income	128,556	-
Amounts recognised in the Statement of Financial Position		
Deferred tax asset	565,745	-
Deferred tax liability	565,745	-
Net deferred tax balance	-	-

NOTES TO AND FORMING PART OF THE ACCOUNTS

Deferred income tax at 30 June relates to the following:

	2010 $	2009 $
(i) Deferred tax liabilities		
Capitalised exploration	558,505	-
Other	7,240	-
Gross deferred tax liabilities	565,745	-
(ii) Deferred tax assets		
Carry-forward tax losses	899,078	-
Provisions	4,287	-
Share issuance costs	53,844	-
Tax losses not booked	(391,464)	-
Gross deferred tax assets	565,745	-
Net deferred tax assets/(liabilities)	-	-

Recognition has been given to a deferred income tax asset of $565,745 (2009 - nil) which arose from the available tax losses. The total available carried forward losses attributable to Eastern Iron Limited are $2,996,928 (tax benefit at 30% is $899,078). No franking credits are available for subsequent years.

5. CASH AND CASH EQUIVALENTS

	2010 $	2009 $
Cash at bank	37,751	167,862
Money market securities – bank deposits	2,641,682	3,138,827
	2,679,433	3,306,689

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

	2010 $	2009 $
Trade receivables	11,675	6,590
GST receivables	4,153	16,346
Interest receivable	24,134	10,674
Prepayments	11,466	11,230
Other receivables	-	269
	51,428	45,109

NOTES TO AND FORMING PART OF THE ACCOUNTS

7. TENEMENT SECURITY DEPOSITS

	2010 $	2009 $
Cash with government mines department	120,000	120,000
	120,000	120,000

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 20).

8. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicle	Plant and Equipment	Total
Year ended 30 June 2009			
Opening net book amount	21,005	303	21,308
Additions	3,161	6,611	9,772
Disposals	-	-	-
Depreciation expense	(3,676)	(1,429)	(5,105)
Closing net book amount	20,490	5,485	25,975
At 30 June 2009			
Cost	24,166	6,984	31,150
Accumulated depreciation	(3,676)	(1,499)	(5,175)
Net book amount	20,490	5,485	25,975
Year ended 30 June 2010			
Opening net book amount	20,490	5,485	25,975
Additions	-	11,087	11,087
Disposals	-	-	-
Depreciation expense	(3,940)	(3,036)	(6,976)
Closing net book amount	16,550	13,536	30,086
At 30 June 2010			
Cost	24,166	18,072	42,238
Accumulated depreciation	(7,616)	(4,536)	(12,152)
Net book amount	16,550	13,536	30,086

9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2010 $	2009 $
Costs brought forward	1,429,648	498,225
Costs incurred during the period	440,857	1,076,736
Expenditure written off during period	(8,823)	(145,313)
Costs carried forward	1,861,682	1,429,648
Exploration expenditure costs carried forward are made up of:		
Expenditure on joint venture areas	1,832,796	1,418,506
Expenditure on non joint venture areas	28,886	11,142
Costs carried forward	1,861,682	1,429,648

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.

An amount of $337,460 is included in the 2009 opening costs brought forward of $498,225. This amount represents a Sale and Joint Venture agreement with PlatSearch NL entered into on 30 January 2008 for the purchase by the Company of an 80% interest in 15 tenements in exchange for 11,000,000 shares in the Company at $0.03 per share ($330,000) and 5,000,000 options at $0.001 per option ($5,000) with an exercise price of 35 cents (refer to Note 12). Additionally, $2,460 was spent on registering the tenements.

10. PAYABLES - CURRENT LIABILITIES

	2010 $	2009 $
Trade creditors	39,208	133,731
Accrued expenses	13,026	45,236
PAYG and superannuation payable	20,311	-
GST payable	1,061	600
	73,606	179,567

11. PROVISIONS - CURRENT LIABILITIES

	2010 $	2009 $
Annual leave provision	6,789	-

NOTES TO AND FORMING PART OF THE ACCOUNTS

12. CONTRIBUTED EQUITY

		2010 $	2009 $
Share capital			
48,685,000 fully paid ordinary shares (2009: 46,000,000)	(a)	5,852,290	5,530,090
Fully paid ordinary shares carry one vote per share and carry the right to dividends.			
Options on Issue			
5,000,000 (2009: 5,000,000)	(b)	5,000	5,000
Share issue costs		(299,964)	(428,520)
		5,557,326	5,106,570

(a) Movements in ordinary shares on issue

		Number	$
At 1 July 2008		46,000,000	5,530,090
Shares issued		-	-
At 30 June 2009		46,000,000	5,530,090
Shares issued	(i)	2,685,000	322,200
At 30 June 2010		48,685,000	5,852,290

(i) The Company issued 2,685,000 fully paid ordinary shares in June 2010 on the exercise of 2,685,000 options at a price of $0.12.

(b) Movements in options on issue

		Number	$
At 1 July 2008		9,270,000	5,000
Bonus options issued	(i)	23,000,011	-
At 30 June 2009		32,270,011	5,000
Options issued	(ii)	1,200,000	
Exercise of options	(iii)	(2,685,000)	-
At 30 June 2010		30,785,011	5,000

(i) In December 2008, the Company issued to shareholders, one bonus option for every two shares held on the record date of 28 November 2008. The Company issued a total of 23,000,011 options with an exercise price of $0.12 and expiry date of 19 December 2010. These options are listed on the Australian Securities Exchange Ltd.

(ii) In March 2010, the Company issued 1,200,000 options with an exercise price of $0.18 and expiry date of 9 March 2015.

(iii) The Company issued 2,685,000 fully paid ordinary shares in June 2010 on the exercise of 2,685,000 options at a price of $0.12.

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 carrying voting rights or rights to dividend until options are exercised.

13. ACCUMULATED LOSSES

	2010 $	2009 $
Balance at the beginning of period	473,281	171,200
Operating loss after income tax expense	593,336	302,081
Balance at the end of period	1,066,617	473,281

14. RESERVES

	2010 $	2009 $
Share-based compensation reserve	171,525	114,565

Recognised share-based payments expensed during the year for the Company are shown in the table below. The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted determined by using the Black and Scholes options valuation methodology model with the below assumptions.

Issue Date	Number of Options Issued	Exercise Price	Expiry Date	Expected Volatility	Risk-free Rate	Expected Life	Estimated Fair Value	Total $ Vested 2009	Total $ Vested 2010	
Dec 07	320,000	0.25	19 Dec 10	120%	6.51%	3 years	0.0025	800	-	(a)
Feb 08	2,150,000	0.25	19 Dec 10	120%	6.51%	3 years	0.0025	6,125	-	(b)
Apr 08	1,800,000	0.25	19 Dec 10	105.56%	6.395%	3 years	0.0598	107,640	-	(c)
Mar 10	1,200,000	0.18	9 Mar 15	104.16%	5.01%	5 years	0.0712	-	56,960	(d)
	5,470,000							114,565	56,960	

(a) Issued to consultants of the company and expensed in the income statement. 50% of the options vested on 30 June 2008 with the remaining 50% vested on 30 June 2009.

(b) Issued to Directors and approved by shareholders at the General Meeting held on 13 February 2008. Expensed in the income statement. 50% of the options vested on 30 June 2008 with the remaining 50% vested on 30 June 2009.

(c) The total value of $107,640 was options issued to a broker and consultant in relation to capital raising, which has been included in share issue costs within contributed equity on the balance sheet. All options have vested.

(d) 1,200,000 options were issued to Greg De Ross and expensed in the income statement. 50% of the options vested immediately and the remaining 50% vest on 9 March 2011.

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 Iron 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.

The Company issued 1,200,000 options during the financial year under its ESOP of which 600,000 options have vested.

No options have been exercised during the financial year.

NOTES TO AND FORMING PART OF THE ACCOUNTS

15. EARNINGS PER SHARE

		2010	2009
Basic earnings (loss) per share	cents	(1.29)	(0.66)
Diluted earnings (loss) per share	cents	(1.29)	(0.66)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	No	46,154,479	46,000,000
Earnings (loss) used in calculating basic and diluted EPS	$	(593,336)	(302,081)

16. RELATED PARTY DISCLOSURES

The names and positions held of entity key management personnel in office at any time during the financial year are:

Key management personnel	Position
Mr Glenn Goodacre (appointed November 2007)	Chairman, Non-Executive Director
Mr Greg De Ross (appointed July 2010)	Managing Director
Mr Peter Buckley (appointed July 2007, resigned as Managing Director on 1 March 2010)	Non-Executive Director
Ms Wendy Corbett (appointed November 2007)	Non-Executive Director
Mr Greg Jones (appointed April 2009)	Non-Executive Director
Mr Steve Gemell (appointed January 2010)	Non-Executive Director
Mr Bob Richardson (appointed July 2007, resigned 15 August 2009)	Non-Executive Director
Ms Michelle Lilley (appointed November 2007)	Company Secretary and Financial Controller

Key management personnel compensation policy

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.

NOTES TO AND FORMING PART OF THE ACCOUNTS

Board and Senior Management

Fees and payments to the 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 Executive and Non-Executive Directors, Senior Executives and Officers are entitled to receive options under the Company's Employee Share Option Scheme.

Key management personnel compensation

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

	2010	2009
Short term employee benefits	403,739	382,028
Post-employment benefits	15,469	6,810
Other long term benefits	-	-
Termination benefits	-	-
Share-based payments	56,960	-
	476,168	388,838

Key management personnel equity holdings

Fully paid ordinary shares of Eastern Iron Limited

	Balance at 1 July Number	Granted as compensation Number	Received on exercise of options Number	Net other change Number	Balance at 30 June Number	Balance held nominally Number
2010						
G Goodacre	320,000	-	-	-	320,000	-
G De Ross	-	-	-	-	-	-
P Buckley	100,000	-	-	-	100,000	-
W Corbett	50,000	-	-	-	50,000	-
G Jones	-	-	-	-	-	-
S Gemell	-	-	-	-	-	-
R Richardson	275,000	-	-	-	275,000	-
M Lilley	-	-	-	-	-	-
2009						
G Goodacre	320,000	-	-	-	320,000	-
G De Ross						
P Buckley	100,000	-	-	-	100,000	-
W Corbett	50,000	-	-	-	50,000	-
G Jones	-	-	-	-	-	-
S Gemell	-	-	-	-	-	-
R Richardson	275,000	-	-	-	275,000	-
M Lilley	-	-	-	-	-	-

NOTES TO AND FORMING PART OF THE ACCOUNTS

Share options of Eastern Iron Limited

	Balance at 1 July Number	Granted as compen-sation Number	Exercised Number	Net other change Number	Balance at 30 June Number	Balance vested at 30 June Number	Vested but not exercis-able Number	Vested and exercis-able Number	Options vested during year Number
2010									
G Goodacre	500,000	-	-	-	500,000	500,000	-	500,000	-
G De Ross	-	1,200,000	-	-	1,200,000	600,000	-	600,000	600,000
P Buckley	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000	-
W Corbett	250,000	-	-	-	250,000	250,000	-	250,000	-
G Jones	-	-	-	-	-	-	-	-	-
S Gemell	-	-	-	-	-	-	-	-	-
R Richardson	200,000	-	-	-	200,000	200,000	-	200,000	-
M Lilley	100,000	-	-	-	100,000	100,000	-	100,000	-
2009									
G Goodacre	500,000	-	-	-	500,000	500,000	-	500,000	250,000
G De Ross	-	-	-	-	-	-	-	-	-
P Buckley	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000	500,000
W Corbett	250,000	-	-	-	250,000	250,000	-	250,000	125,000
G Jones	-	-	-	-	-	-	-	-	-
G Gemell	-	-	-	-	-	-	-	-	-
R Richardson	200,000	-	-	-	200,000	200,000	-	200,000	100,000
M Lilley	100,000	-	-	-	100,000	100,000	-	100,000	50,000

Transactions with key management personnel

Glenn Goodacre

Glenn Goodacre is a Director of Goodacre Trading Company Pty Ltd, which was paid fees totalling $23,265 for consultancy services related to strategic, due diligence and business advice and assistance with the commercial and corporate development of the business. The contract is based on normal commercial terms and conditions.

Wendy Corbett

Wendy Corbett is a Director of DT Corbett Engineering Pty Ltd, which was paid fees totalling $46,084 for technical services relating to the targeting, exploration, interpretation and understanding of iron ore resources in Australia as well as maintenance of the existing exploration Tenements. The contract is based on normal commercial terms and conditions.

Steve Gemell

Steve Gemell is a Director of Gemell Mining Services Pty Ltd, which was paid fees totalling $1,207 for consulting. The contract is based on normal commercial terms and conditions.

Bob Richardson

Bob Richardson is a Director of GeoTangent Pty Ltd, which was paid fees totalling $9,391 as a technical consultant since 1 January 2009 until 12 July 2010 (when the Agreement was terminated). The contract is based on normal commercial terms and conditions.

Michelle Lilley

Michelle Lilley is a Director of Bluefish Consulting Pty Ltd, which was paid fees totalling $37,758 for company secretarial services and accounting services. The contract is based on normal commercial terms and conditions.

NOTES TO AND FORMING PART OF THE ACCOUNTS

Transactions with other related parties

PlatSearch NL

PlatSearch NL (PlatSearch) is a 48.65% shareholder of Eastern Iron. The Company engaged PlatSearch to provide the services of Mr Peter Buckley as Managing Director until 1 March 2010 and then as the Company's geological consultant post 1 March 2010, with payments as at 30 June 2010 totalling $98,350.

The Company engaged PlatSearch to provide the technical services of Mr Greg Jones with payments for the year ended 30 June 2010 totalling $15,038. Mr Jones also acts as a Non-Executive Director (appointed 24 April 09) of the Company and his Director fees of $7,339 were paid to PlatSearch from the period of 1 July 2009 to 31 October 2009. Director's fees payable to Mr Jones post 31 October 2009 were paid directly to Mr Jones.

The Company has paid PlatSearch rent of $25,780 for the financial year ended 30 June 2010 which includes reimbursement of office costs. The contract with PlatSearch is based on normal commercial terms and conditions.

17. AUDITORS' REMUNERATION

	2010 $	2009 $
Total amounts receivable by the current auditors of the Company for:		
Audit of the Company's accounts	16,500	13,000
Other services	-	-
	16,500	13,000

18. JOINT VENTURES

The Company is a party to two joint venture agreements to explore for iron ore. Under the terms of the agreements the Company will be required to contribute towards the exploration and other costs if it wishes to maintain or increase its percentage holdings. The joint ventures are not separate legal entities. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to the Company at the balance date resulting from these joint ventures, other than exploration expenditure costs carried forward as detailed as in Note 9.

Percentage equity interests in joint ventures at 30 June 2010 were as follows:

	Percentage Interest 2010	Percentage Interest 2009
New South Wales		
Cobar and Main Line Project Tenements		
15 Exploration Licences	80%	80%
Hutch – earning 100%	0%	0%
Queensland		
Hawkwood – EFE can earn 80%	0%	-

19. FINANCIAL REPORT BY SEGMENT

The operating segments identified by management are as follows:

1) Exploration projects funded directly by Eastern Iron 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.

NOTES TO AND FORMING PART OF THE ACCOUNTS

Financial information about each of these tenements is reported to the Managing Director 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:

- 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.

20. CONTINGENT LIABILITIES

The Company has provided guarantees totalling $120,000 in respect of exploration tenements in NSW. These guarantees in respect of mining tenements are secured against deposits with Industry and Investment NSW. The Company does not expect to incur any material liability in respect of the guarantees.

21. 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.

(a) 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.

(b) 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 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 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.

(c) Credit risk

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

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:

	2010 $	2009 $
Cash and cash equivalents	2,679,433	3,306,689
Receivables	51,428	45,109
Deposits with Government Departments and banks	120,000	120,000
	2,850,861	3,471,798

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation 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 $
2010				
Payables	73,606	73,606	-	-
	73,606	73,606	-	-
2009				
Payables	179,567	179,567	-	-
	179,567	179,567	-	-

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

Financial Assets	Carrying amount $	< 12 months $	1-3 years $	>3 years $
2010				
Cash at bank and term deposits	2,679,433	2,679,433	-	-
Receivables	51,428	51,428	-	-
Deposits with banks and Government Departments	120,000	-	-	120,000
	2,850,861	2,730,861	-	120,000
2009				
Cash at bank and term deposits	3,306,689	3,306,689	-	-
Receivables	45,109	45,109	-	-
Deposits with banks and Government Departments	120,000	-	-	120,000
	3,471,798	3,351,798	-	120,000

(e) 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:

	2010	2009
Weighted average rate of cash balances	0.03%	0.48%
Cash balances	$37,751	$167,862
Weighted average rate of term deposits	5.72%	3.71%
Term deposits	$2,641,682	$3,138,827

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:

	Carrying amount	+1.0% of AUD IR		-1.0% of AUD IR	
Sensitivity analysis	$	Profit $	Other equity $	Profit $	Other equity $
2010					
Cash and cash equivalents	2,679,433	26,794	-	(26,794)	-
Tax charge of 30%	-	(8,038)	-	8,038	-
After tax profit increase/(decrease)	2,679,433	18,756	-	(18,756)	-
2009					
Cash and cash equivalents	3,306,689	33,067	-	(33,067)	-
Tax charge of 30%	-	(9,920)	-	9,920	-
After tax profit increase/(decrease)	3,306,689	23,147	-	(23,147)	-

The above analysis assumes all other variables remain constant.

NOTES TO AND FORMING PART OF THE ACCOUNTS

(f) 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.

(g) 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.

22. COMMITMENTS

Exploration 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 exploration expenditure under the terms of each licence. The Company has commitments to expend funds towards earning or retaining an interest under its joint venture agreement with PlatSearch NL and Drysdale Resources Pty Ltd.

	2010 $	2009 $
Payable not later than one year	1,425,759	1,038,464
Payable later than one year but not later than two years	250,000	596,000
	1,675,759	1,634,464

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.

23. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2010 other than:

- Eastern Iron and 3E Steel Pty Ltd have signed a joint venture agreement whereby 3E may earn up to a 77.5% interest in a number of Eastern Iron exploration licences. In tandem with this, Eastern Iron and PlatSearch NL have renegotiated its joint venture agreement such that Eastern Iron will own 49% of selected exploration licences and iron resources, subject to Eastern Iron shareholder approval.

NOTES TO AND FORMING PART OF THE ACCOUNTS

24. STATEMENT OF CASH FLOWS

		2010 $	2009 $
Reconciliation of net cash outflow from operating activities to operating loss after income tax			
(a)	Operating (loss) after income tax	(593,336)	(302,081)
	Depreciation	6,976	5,106
	Share based payments	56,960	2,808
	Provisions	6,789	-
	Tax benefit – deferred tax	128,556	-
	Non cash exploration capitalised	8,823	145,313
	Change in assets and liabilities:		
	(Increase)/decrease in receivables	(6,319)	47,993
	(Decrease)/increase in trade and other creditors	(13,563)	41,829
	Net cash outflow from operating activities	(405,114)	(59,032)

(b) 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.

	2010 $	2009 $
The balance at 30 June 2010 comprised:		
Cash assets	37,751	167,862
Bank deposits (Note 5)	2,641,682	3,138,827
Cash on hand	2,679,433	3,306,689

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Eastern Iron Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Company financial position as at 30 June 2010 and of its performance for the year ended on that date; and

   (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 Company 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 ending 30 June 2010.

On behalf of the Board

G Goodacre

Chairman

Sydney, 22 September 2010

AUDITOR'S INDEPENDENCE DECLARATION

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

Partners
C H Barnes FCA
A J Dowell CA
B Kolevski (Affiliate ICAA)
M Galouzis CA

Associate
M A Nakkan CA

North Sydney
Level 13, 122 Arthur St
North Sydney NSW 2060

Manly
Level 5, 22 Central Ave
Manly National Building
Manly NSW 2095

Correspondence
PO Box 1664
North Sydney NSW 2059

Telephone
(02) 9956 8500
Facsimile
(02) 9929 7428
Email:
bdj@bdj.com.au

AJD:ZM

5 August, 2010

The Directors
Eastern Iron Limited
PO Box 956
CROWS NEST NSW 1585

Dear Board of Directors,

EASTERN IRON LIMITED

We declare that to the best of our knowledge and belief, during the year ended 30 June, 2010 there have been:

i. No contraventions of auditor independence requirements as set out in 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.

Yours Faithfully
BARNES DOWELL JAMES
Chartered Accountants

....
Anthony Dowell
Partner

Liability limited by a scheme approved under Professional Standards Legislation

Website: www.bdj.com.au

BARNES DOWELL JAMES

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Independent Auditor's Report to the Members

Scope

We have audited the accompanying Financial Report of Eastern Iron Limited ("the Company"), including the Financial Statements of the Company, comprising the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, a Summary of Significant Accounting Policies, other explanatory Notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the Financial Report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), International Financial Reporting Standards, and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Report that is free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Report to the Members of the Company based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Report in order to design audit procedures that are appropriate in the

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Financial Report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm the independence declaration required by the Corporations Act 2001 previously provided to the Directors of the Company would be in the same terms if provided as at the date of this Auditor's report.

Auditor's Opinion

In our opinion, the Financial Report of the Company is in accordance with the Corporations Act 2001, including;

a. 1. Giving a true and fair view of the Company's financial position as at 30 June 2010 and of their financial performance for the year then ended; and

2. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

b. The Financial Report complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors Report for the year. The Directors are responsible for the preparation and presentation of the Remuneration Report in accordance with the Australian Auditing Standards. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards as described above.

INDEPENDENT AUDITOR'S REPORT

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

Auditor's Opinion

In our opinion the Remuneration Report of Eastern Iron Limited for the year ended 30 June 2010, complies with S300 A of the Corporations Act 2001.

BARNES DOWELL JAMES
Chartered Accountants

....
Anthony J Dowell
Partner
22 September 2010

Liability limited by a scheme approved under Professional Standards Legislation

Website: www.bdj.com.au

SHAREHOLDER INFORMATION

Information relating to shareholders at 3 September 2010 (per ASX Listing Rule 4.10)

Ordinary shares
There were a total of 48,685,000 fully paid ordinary share on issue.

Options
There were a total of 30,785,011 options on issue of which 20,315,011 were quoted and 10,470,000 unquoted.

Substantial Shareholders	Shareholding
PlatSearch NL	18,685,000
Bluestone 23 Limited	5,000,000

Top 20 Shareholders of Ordinary Shares as at 3 September 2010	Number	%
PlatSearch NL	18,685,000	38.37
Bluestone 23 Limited	5,000,000	10.27
Mr Malcolm James Hill	1,722,000	3.53
Warman Investments Pty Ltd	1,000,000	2.05
Budberth Pty Ltd <Ipseity S/F A/C>	750,000	1.54
Mrs Annette Sylvia Mizon <The Bobbin Super Fund A/C>	660,000	1.35
Mr Chris Carr and Mrs Betsy Carr	500,000	1.02
Mr Neville John Holz and Mrs Lynette Holz	500,000	1.02
Kimbriki Nominees Pty Ltd <Kimbriki Hamilton S/F A/C>	500,000	1.02
Hart Financial Services Pty Ltd <Hart Super Fund Account>	375,000	0.77
Magnetic Mix Concrete Pty Ltd	300,000	0.61
Mr Michael Joseph McCauley	290,000	0.59
Mr Robert Lewis Richardson & Ms Susanne Brint <The Rathroam Staff A/C>	275,000	0.56
Fonomes Pty Ltd	271,200	0.55
Accord MBO Pty Ltd	250,000	0.51
Mr John Gillis Broinowski	250,000	0.51
Mr Maurice William Buckley	250,000	0.51
Ms Nadine May Buckley	250,000	0.51
Sal-Corporation Asia Pacific Pty Ltd	250,000	0.51
ANZ Nominees Limited <Cash Income A/C>	225,000	0.46
Total of top 20 holdings	**32,303,200**	**66.26**
Other holdings	16,381,800	33.74
Total fully paid shares issued	**48,685,000**	**100.00**

Distribution of Shareholders and Optionholders				
Range	No of Shareholders	Ordinary Shares	No of Optionholders	Options
1 – 1,000	21	15,435	44	30,602
1,001 – 5,000	78	247,535	198	777,724
5,001 – 10,000	149	1,376,875	94	772,809
10,001 – 100,000	287	10,922,279	195	5,761,075
100,001 – and over	45	36,122,876	21	12,972,801
	580	**48,685,000**	**552**	**20,315,011**

SHAREHOLDER INFORMATION

Top 20 Holders of $0.12 Options expiring 19 December 2010 as at 3 September 2010	Number	%
PlatSearch NL	5,315,000	26.16
Bluestone 23 Limited	2,500,000	12.30
Mr Malcolm James Hill	861,000	4.23
Mr Neville John Holz & Mrs Lynette Holz	772,500	3.80
Warman Investments Pty Ltd	500,000	2.46
Mr Kevin Arthur Thomas & Mrs Barbara Thomas <The KBT Super Fund A/C>	400,000	1.96
Budberth Pty Ltd <Ipseity S/F A/C>	375,000	1.84
Hart Financial Services Pty Ltd <Hart Super Fund A/C>	354,000	1.74
Mr Chris Carr & Mrs Betsy Carr	250,000	1.23
Mr George Palermo	222,826	1.09
Kimbriki Nominees Pty Ltd <Kimbriki Hamilton S/F A/C>	150,000	0.73
Magnetic Mix Concrete Pty Ltd	150,000	0.73
Nefco Nominees Pty Ltd	139,975	0.68
Mr Robert Lewis Richardson & Ms Susanne Brint <The Rathroam Staff A/C>	137,500	0.67
Accord MBO Pty Ltd <MBO Super Fund A/C>	125,000	0.61
Mr Bruce Baker <Taylored Software S/F A/C>	125,000	0.61
Mr Maurice William Buckley	125,000	0.61
Ms Nadine May Buckley	125,000	0.61
Sal-Corporation Asia Pacific Pty Ltd	125,000	0.61
Mr Ramamoorthy Srinivasan & Mrs Bhanumathi Srinivasan	115,000	0.56
Total of top 20 holdings	**12,867,801**	**63.23**
Other holdings	7,447,210	36.77
Total number of options	**20,315,011**	**100.00**

At the prevailing market price of 14.5 cents per share, there are 69 shareholders with less than a marketable parcel of $500.

There is no current on-market buy-back.

Voting rights

There are no restrictions on voting rights. On a show of hands every member present 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. Optionholders have no voting rights until the options are exercised.

Board of Directors

Glenn Goodacre	Non-Executive Chairman
Greg De Ross	Managing Director
Peter Buckley	Non-Executive Director
Wendy Corbett	Non-Executive Director
Greg Jones	Non-Executive Director
Steve Gemell	Non-Executive Director

Company Secretary

Michelle Lilley

Registered Office

Level 1, 80 Chandos Street
St Leonards, NSW 2065
PO Box 956, Crows Nest, NSW 1585
Telephone: 02 9906 7551
Facsimile: 02 9906 5233
Website: www.easterniron.com.au
Email: info@easterniron.com.au

Auditors and Independent Accountants

Barnes Dowell James
Level 13, 122 Arthur Street
North Sydney, NSW 2060

Bankers

Commonwealth Bank of Australia
Bank West
Macquarie Bank
Suncorp-Metway Ltd

Securities Exchange Listing

Listing on Australian Securities Exchange
ASX Code: EFE

Share Capital

At 30 June 2010 there were 48,685,000 fully paid ordinary shares and 30,785,011 options

Share Registrar

Registries Limited
Level 7, 207 Kent Street, Sydney, NSW 2000
PO Box R67, Royal Exchange, NSW 1223
Telephone: 02 9290 9600
Facsimile: 02 9279 0664
Website: www.registries.com.au

Photographs, artwork and diagrams: Peter Buckley

Eastern Iron Limited

ASX Code: EFE

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