ABN 82 000 738 885

East Coast Minerals NL
and its controlled entities

Annual Financial Report

For the year ended
30 June 2009

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Dear shareholders

The last financial year has been a transition year from the previous board and management to the present one.

We feel that over the last year we have accomplished a considerable amount. Richard Sealy has outlined the achievements in relation to Elizabeth Hill and Energie future in his review.

To some extent we have been constrained by lack of funds. We haven't had any difficulties raising funds however we would prefer to be raising at higher share prices and have therefore resisted the temptation to place too many shares at low prices. Instead we believe that it is our job to get the market to appreciate "our story" and see the value in the stock. We are confident this will happen in the near future.

East Coast has two outstanding investments; the investments in Elizabeth Hill and Energie Future. In our view the potential value of both of these investments is yet to be recognised by the market.

Over the past year we have investigated a number of opportunities but have decided not to invest based on a risk/reward analysis, and taking into account the limits of our available cash.

However, we are currently evaluating a couple of possible promising opportunities.

The philosophy of the Company is to become a "mining house" whereupon we take an interest in promising mining opportunities and apply our expertise to commercialise and crystallise the opportunity thereby creating shareholder wealth. From there we need to extract the wealth created by either selling or spinning off investments into new vehicles. In this way we should be able to achieve a good return for the Company and its shareholders.

I would like to take this opportunity of thanking my fellow directors and management for the efforts they have made this year. In addition, I would like to thank all our loyal shareholders.

Yours sincerely

G Libbesson
Chairman

Sydney, 30 September 2009

East Coast currently has two streams of investment:

- The traditional investment in the exploration of precious and base metals; and
- An investment in Underground Coal Gasification (UCG) through its controlling interest in Energie Future equity.

Exploration for Precious and Base Metals

East Coast has two exploration areas in Western Australia (see ***Figure 1***) and East Coast has had an active year exploring for Silver and Base metal mineralisation.

At Elizabeth Hill, exploration has identified seven Sub Audio Magnetic (SAM) anomalies and five Electromagnetic (EM) anomalies. A drill program is being planned in 2009 to test these anomalies.

The Gossan Dam exploration licence is yet to be granted. Gossan Dam is expected to be favourable for similar commodities as those indicated at Elizabeth Hill. Once the licence is granted it is intended that a similar exploration plan to the one at Elizabeth Hill will be undertaken

Figure 1: Tenement Location Map

Elizabeth Hill (M47/342, M47/343)

(East Coast 69.88% Legend Mining 30.12%)

Silver was mined at the Elizabeth Hill underground mine between 1998 and 2000, with 16,800 tonnes of ore grading at 2,100 g/t silver (70 oz/t) producing 1,170,000 ounces of silver. East Coast has spent considerable amounts over the years looking for the source of the silver at Elizabeth Hill and this exploration is ongoing.

During this year, a Sub-Audio Magnetic Survey (SAM) was completed in an area of the tenement that had remained virtually unexplored. This work identified seven new silver and base metal targets at Elizabeth Hill, two of which it is believed, could be anomalous for silver mineralisation (see Figure 2 and Figure 3).

SAM results identified the lower grade, remnant silver resource at the Elizabeth Hill Mine (7,000 tonnes grading 700 g/t silver (22 oz/t). This has validated with the use of SAM as a viable technique for identifying a silver resource. SAM has also been carried out over the area south of Elizabeth Hill and no potential targets have been identified in this area confirming the past drilling results.

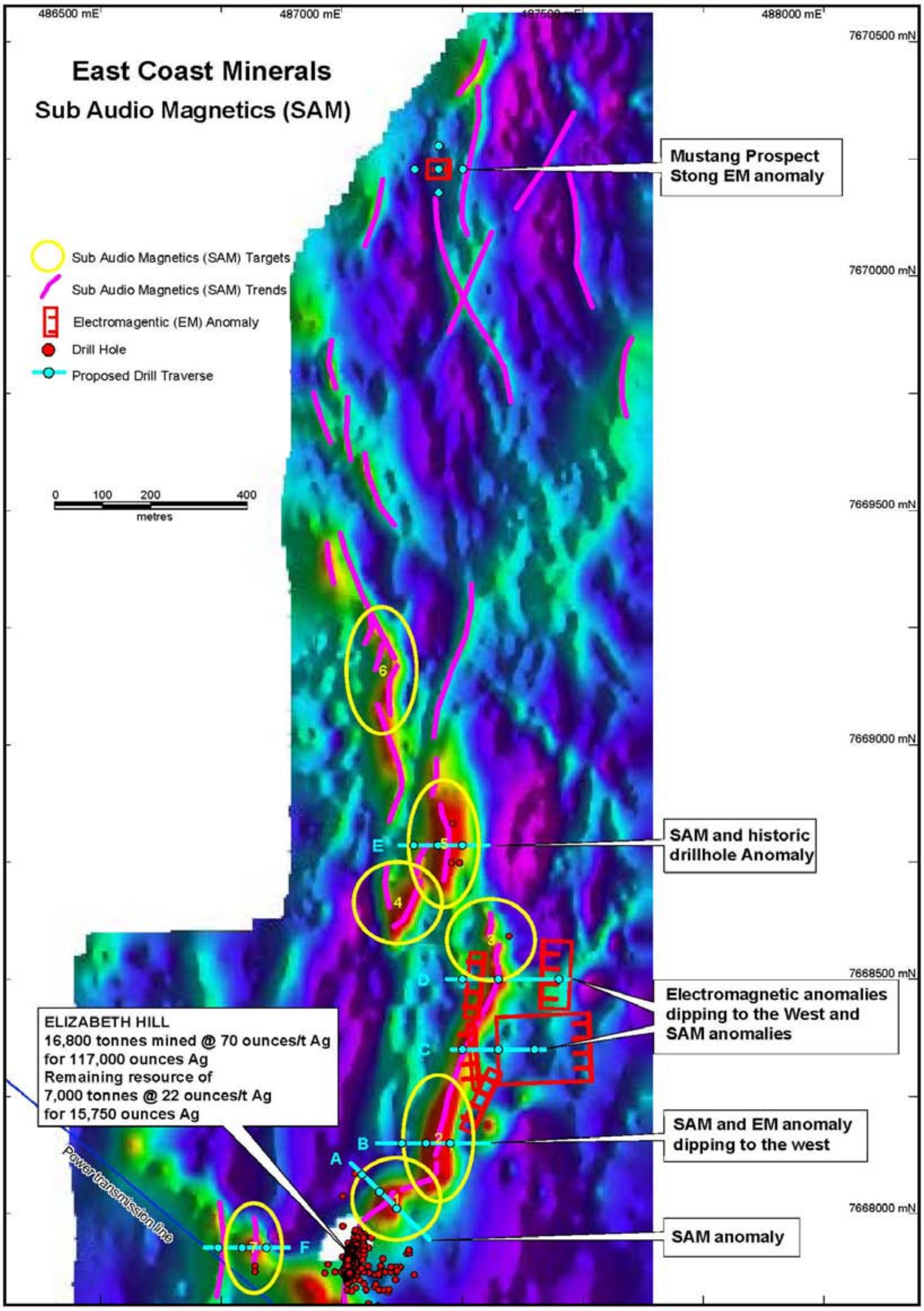


Figure 2: Sub Audio Magnetics (SAM) results with anomalies, EM anomalies, all current drilling and proposed drill traverses at Elizabeth Hill

A subsequent Electromagnetic Geophysical Survey (EM) identified five new EM anomalies within the general SAM trend of anomalies and within 400m of the original Elizabeth Hill mine. The five EM anomalies suggest that a volcanogenic massive sulphide (VMS) system may extend north from Elizabeth Hill, up to the Mustang Prospect (see ***Figure 3*** and ***Figure 4***).

The Mustang Prospect (see ***Figure 3***) previously identified by EM is situated between two base metal (zinc, silver, lead and copper) prospects discovered by Fox Resources in 2007. Fox carried out limited drill testing in the area and identified copper and zinc mineralisation. The best Fox intercepts were 6.1m at 3.1% zinc from 28.4m and 25m @ 0.52% copper from 144m.

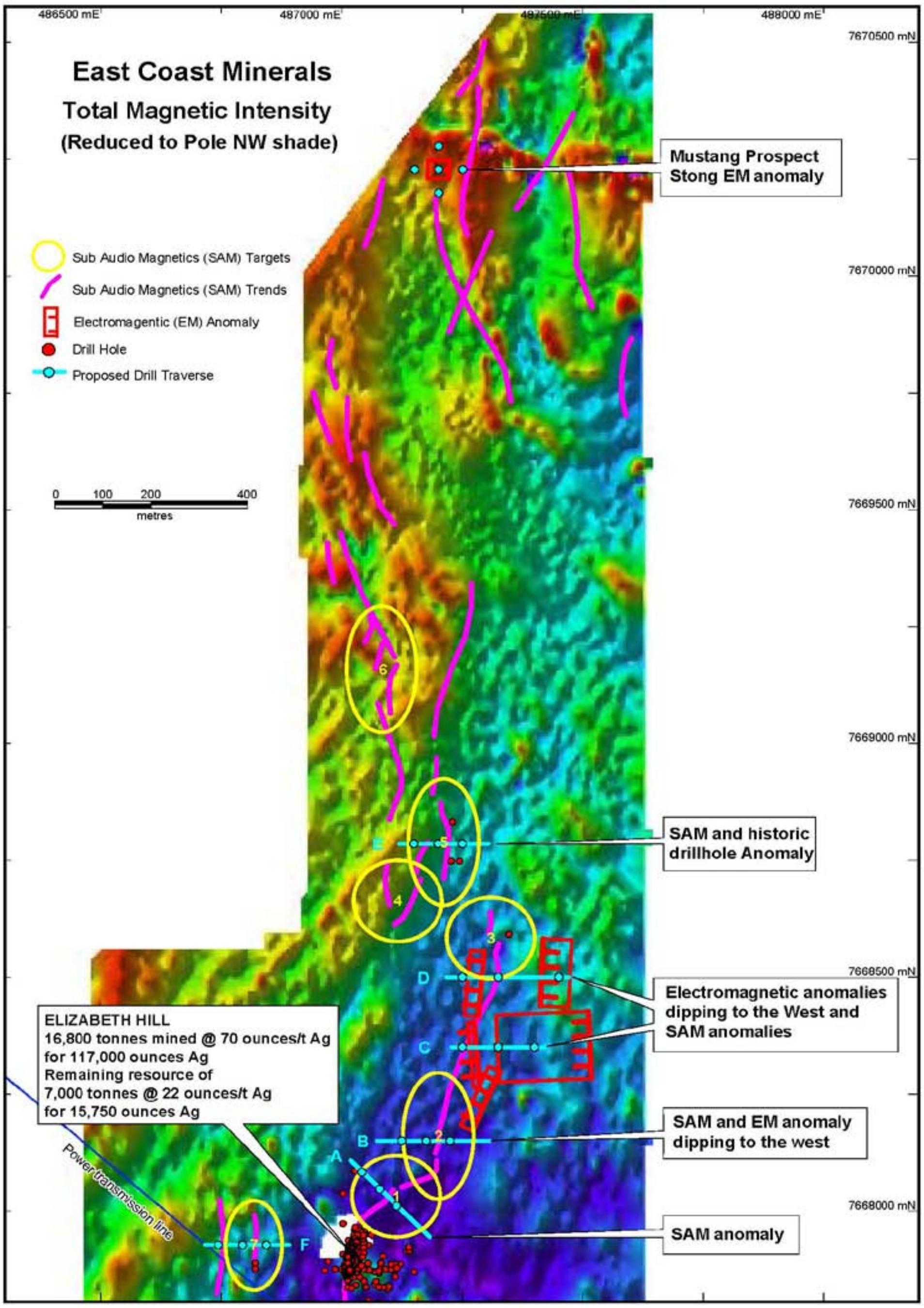


Figure 3: Total Magnetic Intensity (TMI) with SAM anomalies, EM anomalies, all current drilling and proposed drill traverses

The Geological Model

After mining ceased in 2000, exploratory drilling continued to the south of Elizabeth Hill until December 2002 in an effort to delineate a repeat of the Elizabeth Hill silver deposit and prove the then postulated geological model that the silver deposit was emplaced with the Munni Munni Intrusion. However, drilling failed to locate any further silver deposits in the southern area of the tenement.

The area north of Elizabeth Hill was previously regarded as unprospective due to the belief that it was dominated by granite. As a result, virtually no exploration was undertaken in that area. More recent models indicate that the Elizabeth Hill deposit may be the result of the Munni Munni Intrusion assimilating a volcanogenic massive sulphide (VMS) deposit as it was emplaced along an area of structural weakness (see ***Figure 4***). If the latter model is correct then the area between Elizabeth Hill and the Mustang Prospect to the north is potentially a VMS target prospective for silver and base metals.

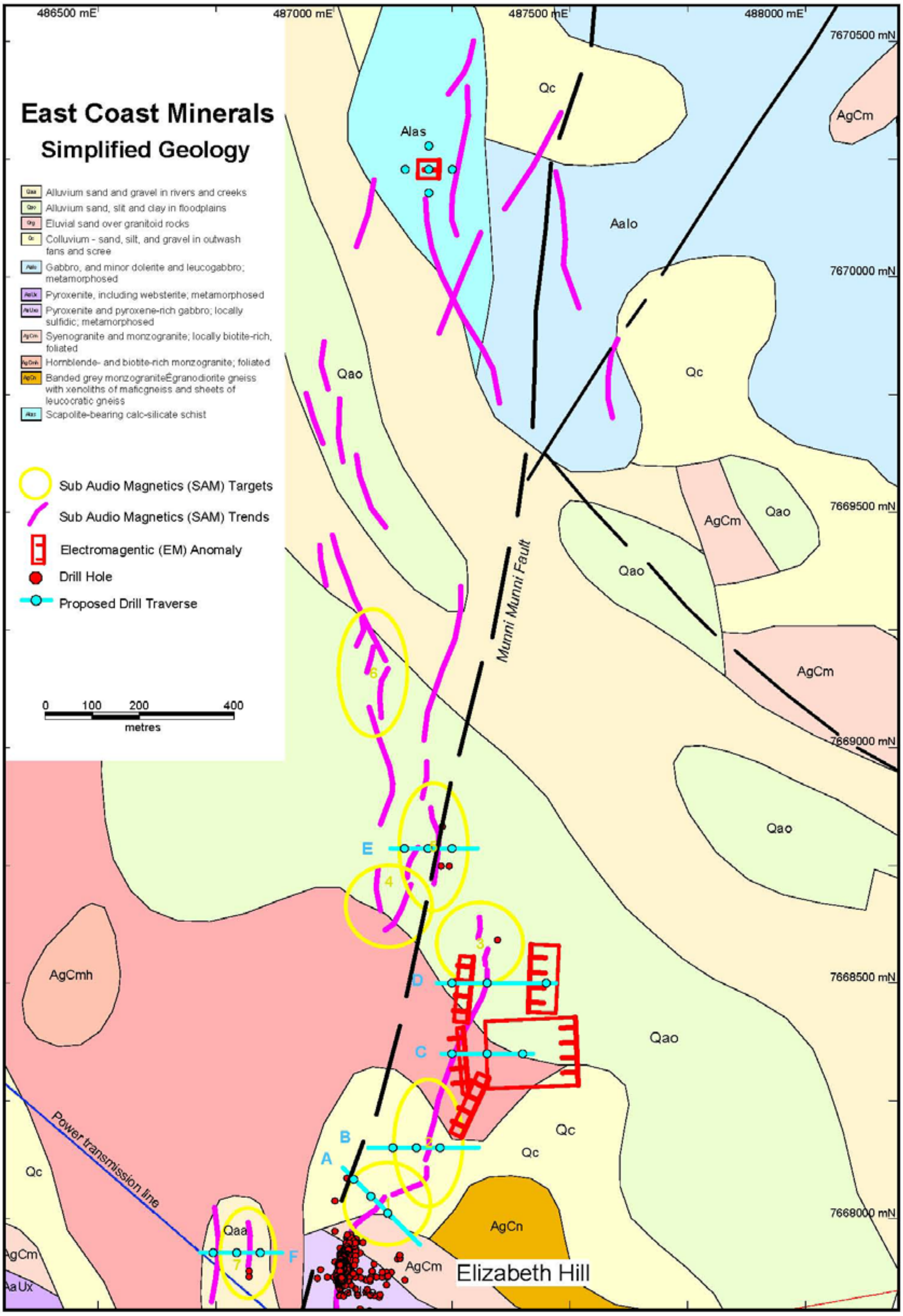


Figure 4: Simplified GSWA 1:10,000 Geology. All recent work appears to have little relationship to geology

Planned Drill Programme

It is planned to drill 22 reverse circulation drillholes for 3,050 metres to test the geophysical results and the new geological model (see ***Figure 5*** for cross sections and ***Figures 2-4*** for drill traverse and drillhole locations).

Prior to the commencement of drilling, a Heritage Agreement needs to be finalised with the Ngarluma Aboriginal Corporation and then a programme of work needs to be sought. The company is endeavouring to get these approvals in place within the last quarter of 2009.

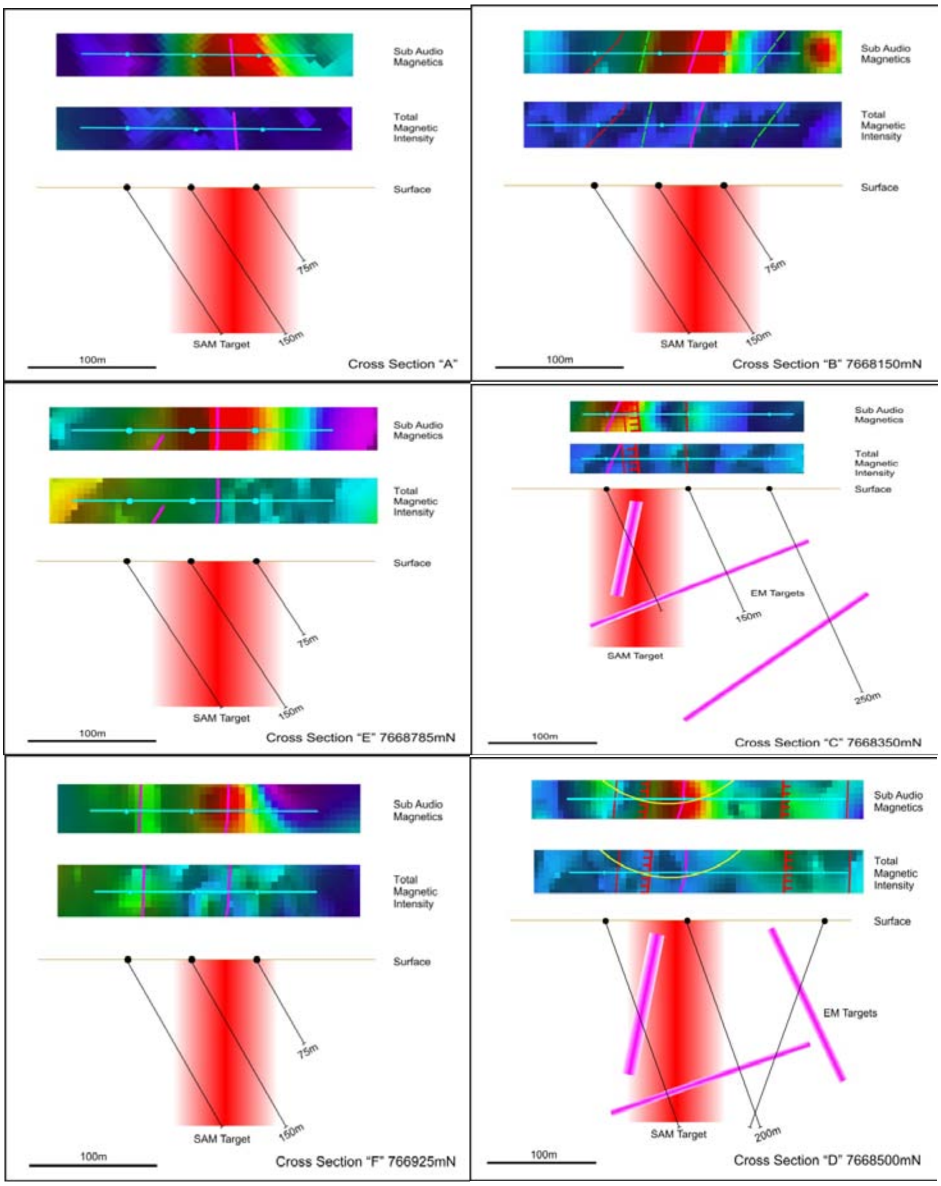


Figure 5: Drill Traverses A-F diagrammatically represented in Cross Section with SAM and TMI plan view slices.

Traverse A – 3 drillholes for 375m supported by significant SAM anomaly.

Traverse B – 3 drillholes for 375m supported by Strong IP effect, SAM anomaly and weak EM anomaly.

Traverse C – 3 drillholes for 600m supported by SAM anomaly and EM anomaly.

Traverse D – 3 drillholes for 550m supported by SAM anomaly and EM anomaly.

Traverse E – 3 drillholes for 375m supported by SAM anomaly and silver anomaly in historical drillhole AG11 25m @ 0.82 g/t silver, 0.243% lead, 970ppm barium and 13ppm lanthanum from 19 metres.

Traverse F - 3 drillholes for 375m supported by SAM anomaly and silver anomaly in historical drillholes EC52 52m @ 19 g/t silver from 48 metres.

Mustang –4 drillholes for 400m supported by shallow EM anomaly immediately adjacent to Fox Resources' Conquest and Sunchaser prospects.

Cadgerina Dyke (M47/340)

An Electromagnetic geophysical survey (EM) was completed at Cadgerina looking for massive nickel and copper sulphides. Results of the survey did not identify any massive sulphides.

Gossan Dam Silver and Base Metal Prospect (ELA 70/3545)

(East Coast 100%)

East Coast has applied for an Exploration License over the Gossan Dam base metal and silver prospect (see ***Figure*** 1) near Mukinbudin, which is 300Km east of Perth in Western Australia. No resource has been defined in the area, but significant mineralisation has been identified by rock chip sampling and limited drilling by previous operators.

In 1970 Asarco Australia Ltd carried out rock chip sampling. The results recorded maximum values of 3.25% Zn (Zinc), 1.16% Pb (Lead), 77g/t Ag (Silver) and 9.6% Mn (Manganese). In 1976, Otter Exploration NL carried out further rock chip sampling and returned grades of up to 6.8% Zn, 6.7% Pb and 127g/t Ag from the gossan and 5.2% Zn, 2.4% Pb and 98g/t Ag from the surrounding syenite host rocks.

In 1977, Shell Minerals Exploration (Australia) Pty Ltd undertook drilling. The best results recorded averaged 1.03 metres @ 1.00% Cu, 1.50% Pb, 1.70% Zn and 760g/t Ag (fillet sample) and 0.65% Cu, 1.58% Pb, 1.81% Zn and 680g/t Ag (quarter BQ core sample) from 85.09m. A total of 7 Diamond Drill holes for 930.95 metres and 3 Percussion holes for 141 metres have been drilled. All based on the view that the mineralisation dipped to the south. In 1997, Merrit Mining NL undertook further sampling of gossans. The best results recorded were 2.23% Zn, 1.01% Pb, 34.8 g/t Ag and 12.9% Mn.

All this previous work has concluded that potential exists for extensions to the known high grade silver mineralisation however the complex magnetic anomalies remain untested and no drilling has ever tested the north dipping mineralised system. East Coast proposes that a review using modern geophysical methods is required.

Tenement Schedule

Tenement Type & No.	Applicant / Holder	PROJECT
E70/03545	East Coast Metals Pty Limited	Gossan Dam
M47/00340	Legend Mining Ltd and East Coast Minerals NL	Elizabeth Hill
M47/00341	Legend Mining Ltd and East Coast Minerals NL	Elizabeth Hill
M47/00342	Legend Mining Ltd and East Coast Minerals NL	Elizabeth Hill
M47/00343	Legend Mining Ltd and East Coast Minerals NL	Elizabeth Hill
E47/00587	Legend Mining Ltd and East Coast Minerals NL	Elizabeth Hill
M47/00414	Legend Mining Ltd and East Coast Minerals NL	Elizabeth Hill
M47/00415	Legend Mining Ltd and East Coast Minerals NL	Elizabeth Hill

Energie Future NL (East Coast 56.54%)

On 19 May 2009 East Coast announced that after extensive due diligence, it had acquired a 56.54% interest in Energie Future NL, a company involved in the Underground Coal Gasification (UCG) sector. The directors of East Coast believe that this investment represents an outstanding energy development opportunity comparable to those of other listed entities operating in the UCG sector and is expected to be a significant wealth creation opportunity for East Coast shareholders.

Part of the consideration for the acquisition of the interest in Energie Future was the issue of 1 million fully paid East Coast shares. East Coast has also undertaken an obligation to fund up to $1.5 million of Energie Future's operational costs by way of subscribing for preference shares in Energie Future.

Development Strategy

Since becoming a shareholder of Energie Future, East Coast has focused on the development of the company. At the time that East Coast became a shareholder of Energie Future it had applications for mineral exploration licences (MELA) 6, 7, 8 and 9 over an off shore area of 6,000 km^2 stretching from Wollongong to Newcastle. These applications are currently under review by the NSW Department of Primary Industries.

Since then Energie Future has:

- Established CTL Technologies Pty Limited (CTL) a 50/50 joint venture with InSitu Energy LLC (InSitu) which is a leader in Fischer Tropsch gas to liquids technology. CTL is at advanced stages of negotiations with:
  (i) InSitu in relation to a Fischer Tropsch gas to liquids technology licence which will grant CTL an exclusive licence in Australia and a non-exclusive licence elsewhere in the world to this technology; and
  (ii) Energy Technology Partners LLC in relation to a UCG technology licence which will grant to CTL and exclusive licence in Australia and a non-exclusive licence elsewhere in the world to this technology;
- Acquired (through a wholly owned subsidiary incorporated in the United States) an option to acquire the site of the most advanced UCG project outside of the former Soviet Union. The site is located at Rawlins, Wyoming, three UCG trials have been run at the site including, the world's first commercial scale Oxygen Injection operation. The Rawlins land which is covered by this 3 year option has a target tonnage of 40 million tonnes of coal which has been extensively drilled. Subject to the outcome of feasibility studies, Energie Future plans to build a 2700 barrel per day gas to liquids plant at Rawlins.

Additional target tonnage of approximately 140 million tonnes of coal is available in contiguous tenements that will, subject to acceptable feasibility studies, ultimately lead to the development of a gas to liquids plant with a capacity in excess of 50,000 barrels per day.

In addition to the Rawlins project, the Energie Future group has applied for exploration licence applications covering almost 6000 km^2 of the offshore Sydney Basin. These licences are referred to as MELA's 6, 7 8 and 9 by the NSW Government. The size of the resource covered by the licence applications is significant in world resource terms. The NSW Government estimates in 1981 were that the Coal Measures contain more than 28 billion tonnes of coal.

Rawlins, Wyoming, USA Project

The Rawlins Project in Wyoming is the site of 3 previous successful UCG trials. These trials demonstrated the feasibility of UCG in steeply dipping coal seams. The trials were undertaken by Gulf Oil in partnership with the US Department of Energy and the Williams Companies. During the commercial trial, up to 200 tonnes of coal was gasified each day with a high BTU product gas being produced using Oxygen injection methods. Over 10,000 tonnes of coal have been gasified at the site.

Figure 6: Rawlins Wyoming Project in 1995 – Site has been remediated

The trials were undertaken as was a precursor to commercial operation. Full commercial project feasibilities were undertaken including extensive exploration for coal over a 12 square mile area. As noted above the Energie Future group has, development rights to the Rawlins project, the extensive operating database and resource exploration work and by exercise of the option the surface land and rights to coal below 300ft. Also on the site are 5 injection/production wells and 18 monitoring wells that are still usable (see ***Figures 7 and 8***), these wells represent a considerable initial saving in costs.

Figure 7: 2 of the 4 injections wells at Rawlins

Figure 8: Production well in place at Rawlins

If the option is exercised, Energie Future initially plans to construct a 2700 barrel per day coal to liquids plant using the ETP licenced technology for a Small Fixed Bed Fischer Tropsch plant.

Because Energie Future has the benefit of the extensive database from the previous trials the company is able to go straight to the feasibility stage. Much of the design of the plant has previously been undertaken and Energie Future is now adapting this work as part of a final bankable feasibility which it expects to completed in approximately 18 months.

Stage one of the feasibility is to update the cost model of the project. Current estimates, based on previous engineering studies, are that capital cost will be in the order of US$150m with a cash operating cost of approximately US$20 per barrel.

One of the advantages of the ETP Small Fixed Bed Fischer Tropsch technology is that it is able to be competitive at small scale. This means that the Energie Future operation should be competitive with much larger plants on both a capital and operating cost per barrel basis. The current technology can be used in plants up to 10,000 barrels per day. The modular nature of this technology provides a low capital cost entry into the market.

The project is eventually expected to have sufficient coal tonnage to ultimately construct a complex producing over 50,000 barrels of ultra clean diesel per day. The project is located within an area of arge local demand for diesel in the mining and agricultural industries and the low sulphur product expected to be produced should command a premium in the market.

Energie Future is also exploring alternative uses for the Syngas produced at Rawlins to further exploit the otherwise unminable coal within the locale.

Offshore Sydney Basin

Energie Future has identified the offshore portion of the Sydney Basin coal resource as a major "stranded" energy asset which can be monetised through the use of UCG. The Energie Future group has made applications for almost 6000 sq kms (see ***Figure 9***) with an estimated coal tonnage of in excess of 28 billion tonnes. These applications are currently going through the approval process with the Federal and State Governments.

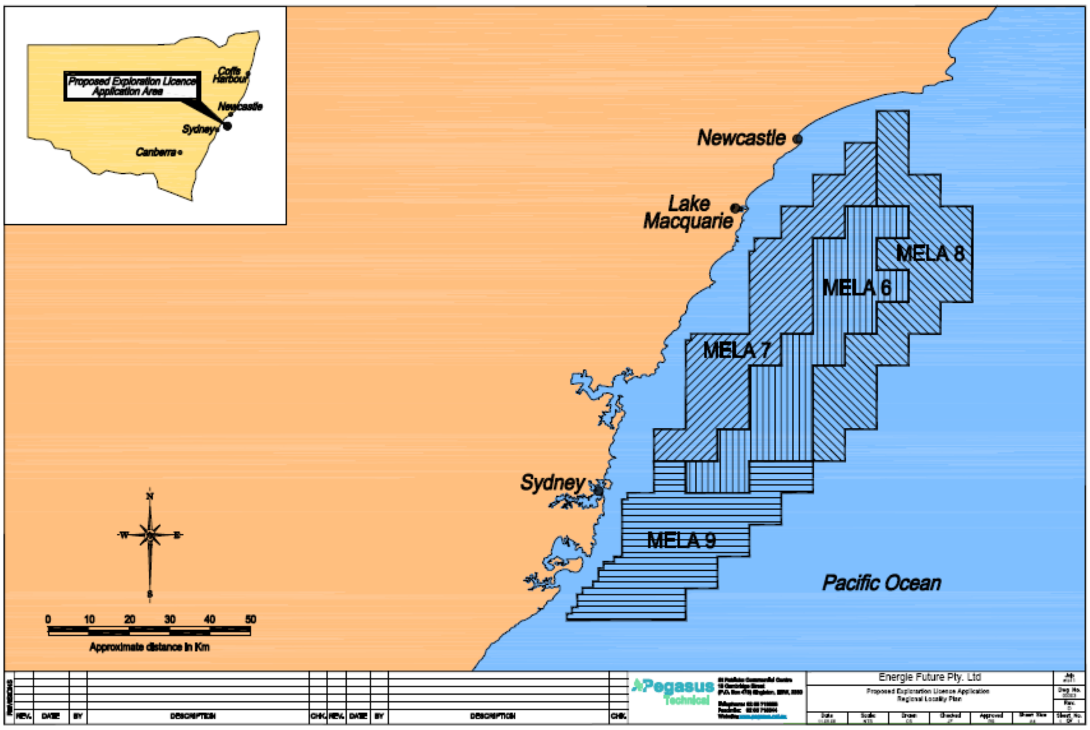


Figure 9: Energy Future's Lease Applications

The coal bearing structures are an extension of well understood geology in the onshore Sydney Basin. Outcrops north of Newcastle and just north of Wollongong have been used to define the area of interest.

The estimated size of the tonnage is significant in world resource terms. NSW Government estimates in 1981 were that the Coal Measures contain more than 28 billion tonnes of coal, These estimates were considered as conservative as the estimates were based only on coal which would be minable with existing techniques and only to a depth of 600m's.

Significant Seismic has already been undertaken in the area. Initial work will be focussed on the analysis of the existing Seismic. Energie Future proposes to develop this area by first delineating the coal measures and then developing a plan for the exploitation of the coal using UCG to produce Syngas.

Energie Future's Joint Venture Partners

To underpin the success of the project Energie Future has established CTL, which is a 50/50 joint owned vehicle with InSitu. InSitu is recognised as leading expert in UCG and in Fischer Tropsch technology which converts syngas to high value, ultra clean, diesel and jet fuel. Energie Future's partner is InSitu is a joint venture between Energy Technology Partners LLC and Raven Ridge Resources Incorporated

Energy Technology Partners (ETP)

ETP originally led the UCG unit of the Gulf Oil Research and Development unit based at the Pittsburgh University. When Chevron acquired Gulf, ETP personnel were able to retain specific expertise in Underground Coal Gasification and Fischer Tropsch.

ETP has a number of major energy industry clients which East Coast have been informed by ETP include Petróleos de Venezuela. ETP has informed East Coast that it has worked closely with the US Department of Energy on both UCG and FT projects. East Coast has also been informed by ETP that over US$100m has been spent on developing the intellectual technology held by ETP and which it is proposed will be licensed to the Energie Future group including running 5 successful UCG trials in the United States and the first UCG project in the Southern Hemisphere at Huntly New Zealand.

The table below shows the details about the 5 trails run by Raven Ridge and ETP.

UCG Projects	Type of Coal	Test	Duration
Rawlins 1 Wyoming	**Steeply Dipping Bed**	**Trial**	**1 month duration, up to 70 tons per day**
Rawlins 2 Wyoming	**Steeply Dipping Bed**	**Commercial**	**3 months duration up to 200 tons per day**
Rawlins 3 Wyoming	**Steeply Dipping Bed**	**Test Burn**	**Short test burn**
Rocky Mountains 1	**Flat Seam**	**Demonstration**	**3 month defining work on CRIP up to 200 T/D**
New Zealand Huntly	**Flat Seam**	**Demonstration**	**A series of projects over a 10 year period ending in small test burn**

Raven Ridge Resource Inc.

Raven Ridge Resources has been operating for 20 years project managing coal seam and UCG projects both in the USA and internationally.

Raven Ridge has worked in partnership with ETP on a number of projects and served as key geotechnical contractor responsible for exploration and resource development, managing the design, drilling and completion of the underground production systems for both the Rocky Mountain 1 project and the New Zealand projects.

InSitu to be a Shareholder of Energie Future

It is expected that InSitu will be issued with a 10% interest in Energie Future in return for providing the licensed technology and technical assistance to the Energie Future Group. This is likely to provide InSitu's with additional incentive and motivation for the success of the Energie Future group projects involving the licences technology.

Creating Shareholder Value

The driving strategy behind East Coast is to find resource projects, add value to them and then create shareholder value by realising the value in those projects. The Directors believe that the investment in Energie Future provides just such an opportunity to create real shareholder wealth.

The cost of East Coast's eventual 51% in Energie Future was approximately $1.6 million made up as follows:

- The value of 1 million fully paid ordinary shares (at the time 7 cents per share); and
- Assumption of the obligation to fund the next $1.5 million of expenditure in Energie Future. Should the Company not fund a minimum of $1.3 million it will dilute its interest on a pro-rata basis.
- East Coast currently owns 56.54% of Energie Future. This will become 51% when 9.8 million shares are issued to InSitu making 100 million shares on issue in total.
- At the time of acquisition, the original shareholders of Energie Future were issued 80 million performance-based options in EFNL to acquire partly paid shares of 10 cents each credited as paid to 1 cent ("**Performance Options**"). In addition to the above Performance Options, a further 20 million options in Energie Future have been reserved for InSitu. (See further details in Note 8 of the accounts)

The effect of these Performance Options vesting and being exercised is that the Energie Future will receive $10 million in cash to help fund the developments. The shares to be issued by the exercise of the options will not however be issued until the share price of Energie Future has reached the Vesting Price. Therefore while the new shares will cause dilution to East Coast's percentage interest in Energie Future the value of East Coast's interest will have risen accordingly.

On acquisition, the Energie Future group had mining licence applications over the Sydney basin and had made contacts for the provision of technology and with the owners of the Rawlins site. While the Sydney Basin project was interesting, it had a long term development horizon.

Through the means of East Coast's listed status, financial backing and the expertise of its executives, East Coast has been able to work with the management of Energie Future to provide a vehicle for the technology partners to be part of Energie Future and to acquire one of the best UCG projects outside of the former Soviet Union thereby diversifying Energie Future's activities and giving it a position in the UCG sector.

The next step is to realise the value created for the benefit of the East Coast shareholders. In order to recognise the benefit that has been created by this strategy we need to consider the UCG sector.

Australian companies have taken the initiative in the development of UCG projects. East Coast believes that the three most advanced companies in Australia are Linc Energy Limited, Carbon Energy Limited and Cougar Energy Limited all of which are listed on the ASX.

- Linc, like Energie Future, has indicated that it is pursuing an Ultra Clean Diesel path and that it has successfully run a pilot plant to demonstrate the feasibility of this option.
- Carbon Energy has identified the zero emission electricity generation opportunity. Carbon Energy successfully ran a pilot test burn based on processes pioneered by our partners.
- Cougar has spent several years planning and developing an operation in Queensland and will undertake a trial in early 2010. Cougar has proposed construction of a 400 MWe power generation plant as its use.

Even though these businesses are not expected to generate significant cash flows for 4-5 years the combined market capitalisation of these three market leaders is over $1.2 billion.

International Resource Holdings is the newest company to join the ASX in the UCG sector and is just now completing a reverse listing and fundraising of $5 million dollars.

During the year, a number of other companies with "stranded" coal assets announced joint ventures or an intention to pursue UCG. These companies include Rey Resources, Liberty Resources and Greenpower Energy.

The table below is an analysis what each of the companies in the ASX listed UCG sector has to offer and aspires to do. From this a comparison may be drawn with Energie Future's intellectual property and assets.

It may be seen from the table that Energie Future's recent acquisition of the option over the Rawlins project in the United States and the expected completion of the agreements to licence technology to CTL should give the Energie Future group prospects of making significant strides in the UCG sector.

	Linc Energy (ticker LNC)	Carbon Energy (ticker CNX)	Energie Future	Cougar Energy (ticker CXY)	International Resource Holdings (ticker IRH)
Market Capitalisation	$675m	$455m	N/A	$66m	$37m
Coal tonnage potential	19 billion tonnes +	668 million tonnes +	28 billion tonnes +	414 million tonnes +	Unexplored
Own UCG Technology?	Yes	Yes (based on EF partners Technology)	To be licensed to 50% owned JV Company	Licenced	Licensed
Own Fischer Tropsch Gas to Liquids Technology?	No licensed from Syntroleum	N/A – looking at Power Gen options	To be licensed to 50% owned JV Company	N/A power generation.	No end use determined
Technology run successfully at commercial scale	No- but 1 trial at Chinchilla	No - but 1 trial at Bloodwood Creek	Yes 4 trials and 1 commercial pilot	No - Initial Trial starts first half 2010	Trials 2 – 3 years away
Coal located adjacent to a major energy market.	No	No	Yes	No	No
Proposed Project	Ultra clean diesel – no project announced	"Zero Gen" 20 MWe	12,700 bpd ultra clean diesel	400 MWe Electricity	No end use announced
Time to First Production	5 Years +	2 Years to demonstration	4 years	5 Years +	6 Years +
NOTE: *This chart shows detail about the UCG assets of the various companies. Shareholders should be aware that some of these companies have significant other assets which in some cases contribute significantly to the Market Capitalisation shown above.*					

To appreciate the "Shareholder Value" created in East Coast, an investor in East Coast should answer to two questions:

1. Taking into account the assets and technology the Energie Future group has licensed, acquired or is expected to acquire, and its sites, where does Energie Future sit amongst the other UCG listed companies?; and

2. If Energie Future was spun off, what would be the market capitalisation that would be attributed to it?

From the above chart Energie Future group's progress through the UCG "continuum" may be ahead of both International Resources and Cougar. Therefore it is East Coast's view that Energie Future could in the future sit between Carbon Energy and Cougar.

Therefore to estimate (on an as yet unsubstantiated basis) the value created for East Coast by the acquisition of a controlling interest in Energie Future an investor needs to assess the market capitalisation of Energie Future multiply it by 51% and subtract the $1.6 million cost of East Coast's interest in Energie Future.

The real question is; does it make sense that East Coast should have a market capitalisation of approximately $5.5 million when it owns 51% of Energie Future and 70% of the Elizabeth Hill silver project?

Richard Sealy
Managing Director

Sydney, 30 September 2009

WHAT IS UNDERGROUND COAL GASIFICATION - UCG

Underground Coal Gasification (UCG) is a method of converting unmined coal into combustible Syngas which is a combination of hydrogen and carbon monoxide. Syngas has been produced as an industrial fuel since the early 1800's. The chemical process of producing what was previously called "Town Gas" is well understood. In Australia the Australian Gas Light Company manufactured Town Gas until natural gas was introduced in 1976.

Syngas can be used for industrial heating, power generation or the manufacture of hydrogen, synthetic fuels or other chemicals. Syngas can be processed to remove its CO_2 content, thereby providing a source of clean energy with minimal greenhouse gas emissions.

UCG uses a similar process to surface gasification. The main difference between both gasification processes is that in UCG, the cavity itself becomes the reactor so that the gasification of the coal takes place underground instead of at the surface.

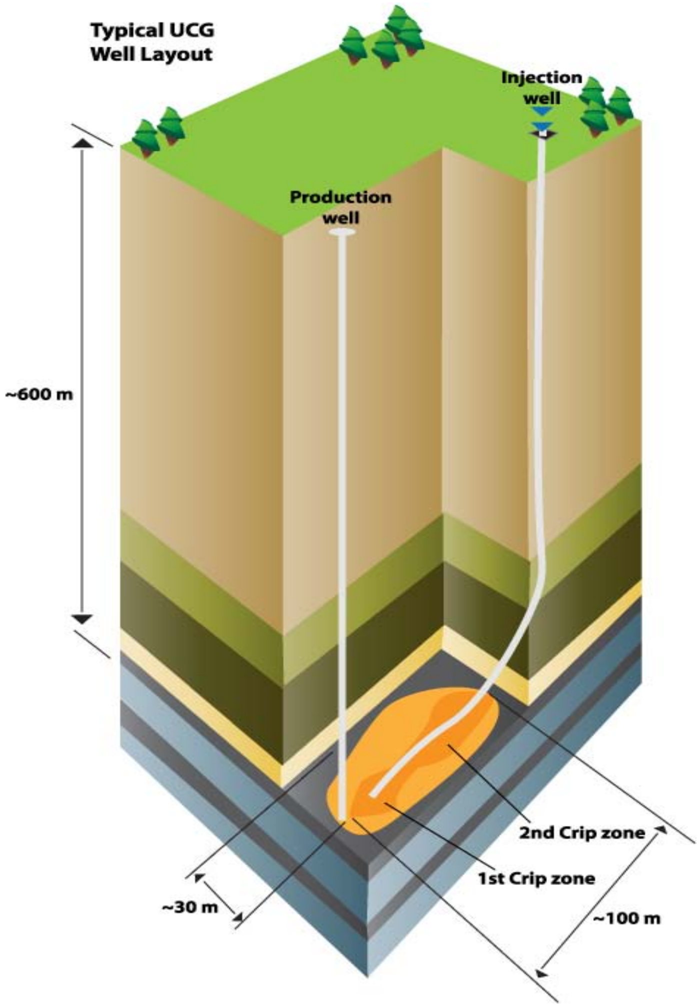
UCG Process

The basic UCG process involves drilling two wells into the coal, one for injection of the oxidants (water/air or water/oxygen mixtures) and another well some distance away to bring the product gas to the surface.

The coal at the base of the first well is then heated to temperatures that would normally cause the coal to burn but through careful regulation of the oxidant flow, the coal does not burn but rather separates into the Syngas.

The Syngas is then drawn out through the second well, processed to remove the CO_2 and then prepared for conversion to a marketable product.

Syngas may be used to create diesel, naphtha, ammonia, to generate electricity or reticulate through a town supply.



FREQUENTLY ASKED QUESTIONS ABOUT UCG

WHY HAS THIS NOT BEEN DONE BEFORE?

- The most recent oil price shock generated interest in alternative energy sources.
- Success of CSG put alternative gas sources on the map.
- Successful demonstrations by LINC and Carbon Energy changed the perception.

WHAT PRICE FOR OIL PER BARREL FOR A GOOD RETURN TO EF?

- US$40 per barrel gives a good return and an approximate 5 year payback.

HOW HARD IS IT TO DO UCG OFFSHORE?

- No harder than on land.
- Drilling off-shore is more expensive.
- Technology is no different to drilling for oil off-shore.

WILL EF PIPE GAS TO LAND OR PUT IT ON BOATS?

- Ideally EF will pipe gas to new petrochemical industries in either Newcastle or Wollongong.

WHY HAS LINC DEVELOPED A COAL TO GAS LIQUIDS DEMO PLANT?

- Our view is that they did this to demonstrate proof of concept - Integrated UCG production, gas cleanup and Fisher Tropsch production of diesel.

DOES ENERGY FUTURE NEED TO BUILD A DEMO PLANT?

- ISE, our partners, have this expertise and have already successfully demonstrated this 5 times.

WHERE IS SYNGAS USED IN THE WORLD?

- Syngas has been manufactured above ground for 200 years.
- The largest Syngas plant is in Singapore and there are over 160 above ground gasifiers worldwide.
- South Africa (SASOL) has 90+ gasifiers producing Syngas and 35% of South Africa's diesel is produced using Fisher Tropsch.

HOW DOES UCG COMPARE TO COAL SEAM GAS?

- UCG uses 80% of energy units in a coal field while CSG only uses 8% so UCG is 10 times more efficient .

HOW DOES EMISSION TRADING AFFECT UCG?

- UCG process could be almost carbon neutral.

WHY DID THE RAWLINS DEMONSTRATIONS NOT BECOME COMMERCIAL?

- The market price of energy was too low at time the investment decision was made.

Corporate Governance Statement

The East Coast Minerals NL group ("**East Coast**"), through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with East Coast. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

In August 2007, the ASX updated its corporate governance principles and companies were given a period of time to report against what became 8 principles. This statement outlines the main corporate governance practices of East Coast during the financial year against those new requirements, which are captured now under the heading Corporate Governance Principles and Recommendations, published in August 2007 by the ASX Corporate Governance Council.

ASX Corporate Governance Principles and Recommendations

The 8 Corporate Governance Principles and Recommendations on how to achieve best practice for each principle are set out in a different format to that used previously, with a comment for each recommendation identifying whether East Coast's approach conformed to the 8 principles. It should be noted that East Coast is currently a small cap listed company and that where its processes do not fit the model of the 8 principles, the Board believes that there are good reasons for the different approach being adopted.

Reporting against the 8 Principles, we advise as follows:

Principle 1: Lay solid foundations for management and oversight

1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.

The primary responsibilities of East Coast's board include:

- the establishment of long term goals of the Company and strategic plans to achieve those goals;
- the review and adoption of the annual business plan for the financial performance of the company and monitoring the results on a monthly basis;
- the appointment of the Managing Director;
- ensuring that the Company has implemented adequate systems of internal control together with appropriate monitoring of compliance activities; and
- the approval of the annual and half-yearly statutory accounts and reports.

The Board meets on a regular basis, normally monthly, to review the performance of the Company against its goals both financial and non-financial. In normal circumstances, prior to the scheduled monthly board meetings, each board member is provided with a formal board package containing appropriate management and financial reports.

The responsibilities of senior management including the Managing Director are contained in letters of appointment and job descriptions given to each appointee on appointment and updated at least annually or as required.

The primary responsibilities of senior management are:

- Achieve East Coast's objectives as established by the Board from time to time;
- Operate the business within the cost budget set by the Board;
- Ensure that East Coast appointees work with an appropriate Code of Conduct and Ethics;
- Ensure that East Coast appointees are supported, developed and rewarded to the appropriate professional standards.

1.2 Companies should disclose the process for evaluating the performance of senior executives and appointees.

The performance of all senior executives and appointees is reviewed at least once a year by the Managing Director, in conjunction with the Board's Remuneration and Nominations Committee. They are assessed against personal and Company Key Performance Indicators established from time to time as appropriate for East Coast.

1.3 Companies should provide the information indicated in the Guide to reporting on Principle 1.

A performance evaluation for each senior executive has taken place in the reporting period in line with the process disclosed.

A Statement covering the primary responsibilities of the Board is set out in 1.1 above.

A Statement covering the primary responsibilities of the senior executives is set out in 1.1 above.

The East Coast Corporate Governance Charter is available on the East Coast web site, and includes sections that provide a board charter. The East Coast Board reviews its charter when it considers changes are required.

Principle 2: Structure the board to add value

2.1 A majority of the Board should be independent directors.

East Coast operates in a market where it finds that it must regularly seek investor support to raise additional capital. As a consequence, Board members often themselves have a significant interest in the company. During the reporting period, the East Coast Board consisted of two non-executive directors, and one Managing Director. All of the non-executive directors are considered independent directors.

2.2 The Chairperson should be independent.

Graham Libbesson, the non executive chairman, is independent.

2.3 Chief Executive Officer should not be the same as Chairman.

Richard Sealy was appointed Managing Director on 2 July 2008.

2.4 A nomination committee should be established.

The Remuneration and Nomination Committee is established with the current Board as its members.

2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

The East Coast Board has only a few board members, who are in regular contact with each other as they deal with matters relating to East Coast's business. The Board uses a personal evaluation process to review the performance of directors, and at appropriate times the Chairman takes the opportunity to discuss Board performance with individual directors and to give them his own personal assessment. The Chairman also welcomes advice from Directors relating to his own personal performance. The Remuneration and Nomination Committee determines whether any external advice or training is required. The Board believes that this approach is most appropriate for a company of the size and market cap of East Coast.

2.6 *Companies should provide the information indicated in the Guide to reporting on Principle 2*

A description of the skills and experience of each director is contained in the 2009 Directors Report.

Graham Libbesson and Sevag Chalabian are considered to be independent because they have no significant shareholding in the Company and are not employed by the Company.

Directors are able to take independent professional advice at the expense of the Company, with the prior agreement of the Chairman.

The Remuneration and Nomination committee consisted of Graham Libbesson, Sevag Chalabian and Richard Sealy. A number of informal meetings were held during the year, attended by all members.

An evaluation of the Board directors took place during the reporting period and was in accordance with the process described in 2.5 above.

New directors are selected by the Remuneration and Nomination committee and their appointment voted by the Board. Each year, in addition to any Board members appointed to fill casual vacancies during the year, one third of directors retire by rotation and are subject to re-election by shareholders at the Annual General Meeting.

A copy of the Remuneration and Nomination committee charter is available on the East Coast web site. As the full Board participates in the appointment process for new directors, there is some informality in the appointment process. The details of attendance at meetings are set out in the Directors' report.

Principle 3: Promote ethical and responsible decision-making

3.1 *Companies should establish a code of conduct and disclose the code or a summary of the code as to:*

- *the practices necessary to maintain confidence in the company's integrity;*
- *the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and*
- *the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

East Coast's policies contain a formal code of conduct that applies to all directors and employees, who are expected to maintain a high standard of conduct and work performance, and observe standards of equity and fairness in dealing with others. The detailed policies and procedures encapsulate the Company's ethical standards.

The code of conduct is contained in the East Coast Corporate Governance Charter.

3.2 Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.

3.3 Companies should provide the information indicated in the Guide to reporting on Principle 3.

East Coast's shares are listed on the Australian Securities Exchange. The Company's policies relating to Board and employee trading in shares has been designed to meet the requirements of the law. The policy is set out in the East Coast Corporate Governance Charter and is publicly available.

Principle 4: Safeguard integrity in financial reporting

4.1 Establish an audit committee.

The company has an Audit, Corporate Governance and Risk Management Committee.

4.2 Audit, Corporate Governance and Risk Management committee composition.

The Audit committee consists of Graham Libbesson and Sevag Chalabian, both of whom are independent non executive directors. Graham Libbesson is the Chairman of the committee and is considered to be the appropriate chairman, despite being the Board's chairman, as he is also a highly qualified accountant. The board believes that the committee is of an appropriate size (2 persons rather than 3) for the Company.

4.3 A formal charter should be established for the audit committee.

The Company has adopted an Audit, Corporate Governance and Risk Management Committee charter. It is publicly available on the East Coast web site.

4.4 *Companies should provide the information indicated in the Guide to reporting on Principle 4.*

The Audit, Corporate Governance and Risk Management Committee met twice during the course of the year.

The Audit, Corporate Governance and Risk Management Committee provide a forum for the effective communication between the Board and external auditors.

The committee reviews:

- the annual and half-year financial reports and accounts prior to their approval by the board;
- the effectiveness of management information systems and systems of internal control; and
- the efficiency and effectiveness of the external audit functions.

The committee meets with and receives regular reports from the external auditors concerning any matters that arise in connection with the performance of their role, including the adequacy of internal controls.

In conjunction with the auditors the Audit, Corporate Governance and Risk Management Committee monitors the term of the external audit engagement partner and ensures that the regulatory limit for such term is not exceeded. At the completion of the term, or earlier in some circumstances, the auditor nominates a replacement engagement partner. The committee interviews the nominee to assess relevant prior experience, potential conflicts of interest and general suitability for the role. If the nominee is deemed suitable, the committee reports to the Board on its recommendation.

The Audit, Corporate Governance and Risk Management Committee also reviews the East Coast Corporate Governance and Risk Management processes to ensure that they are effective enough for a listed public company that is currently small cap.

Principle 5: Make timely and balanced disclosure

5.1 Written policies and procedures should be established to ensure an entity complies with the ASX Listing Rule disclosure requirements and that senior management is accountable for compliance.

The East Coast board and senior management are conscious of the ASX Listing Rule Continuous Disclosure requirements, which are supported by the law, and take steps to ensure compliance. The company has a policy, which can be summarised as follows:

- The Board, with appropriate advice, to determine whether an announcement is required under the Continuous Disclosure principles;
- All announcements be monitored by the Company Secretary; and
- All media comment to be handled by the Managing Director.

To ensure that shareholders are kept well informed on East Coast's activities, and to improve communication to shareholders generally, East Coast has decided that all shareholders should be sent an actual copy of the annual report.

5.2 East Coast's disclosure policy to shareholders is set out as part of the East Coast Corporate Governance charter, which is publicly available on the East Coast web site, as are all of East coast's recent announcements.

Principle 6: Respect the rights of shareholders

6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

East Coast provides information to its shareholders through the formal communications processes (e.g. ASX releases, general meetings, annual report, and occasional shareholder letters). This material is also available on the East Coast website (www.eastcoastminerals.com).

Shareholders are encouraged to participate in general meetings and time is set aside for formal and informal questioning of the Board, senior management and the auditors. The external audit partner attends the annual general meeting to be available to answer any shareholder questions about the conduct of the audit and the preparation and content of the audit report.

6.2 The Company's communications policy is described in 5.1 and 5.2, and 6.1 above.

Principle 7: Recognise and manage risk

7.1 Companies should establish a sound system for the oversight and management of material business risks.

The Company has established policies for the oversight and management of material business risks.

The Board monitors the risks and internal controls of East Coast through the Audit, Corporate Governance and Risk Management Committee. That committee looks to the executive management to ensure that an adequate system is in place to identify and, where possible, on a cost effective basis appropriate for a small cap company, to manage risks inherent in the business, and to have appropriate internal controls.

As part of the process, East Coast's management formally identifies and assesses the risks to the business, and these assessments are noted by the Audit, Corporate Governance and Risk Management Committee and the Board.

7.2 The Board has required management to design and implement the risk management and internal control system appropriate to a small cap company of the size of East Coast to manage the Company's material business risks and report to it on whether those risks are being managed effectively. Management has reported to the board as to the effectiveness of the Company's management of its material business risks.

7.3 The Board has received assurance from the Managing Director and the chief financial officer (or its equivalent) that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control appropriate for a small cap company of the size of East Coast, and that the system is operating effectively in all material respects in relation to financial reporting risks.

7.4 The Board has received the report from Management under Recommendation 7.2; and the Board has received the assurances referred to under Recommendation 7.3. The Company's policies on risk oversight and management of material business risks for a small cap company the size of East Coast are not publicly available.

Principle 8: Remunerate fairly and responsibly

8.1 Establish a remuneration committee.

East Coast has established a Remuneration and Nomination committee. Sevag Chalabian (non executive director) is the Chairman of that Committee and Graham Libbesson (non executive director) and Richard Sealy (Managing Director) are members of that Committee. The details of attendance at committee meetings are set out in the Directors Report.

8.2 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

The remuneration details of non executive directors, executive directors and senior management are set out in the Remuneration Report that forms part of the Directors' report.

Senior Executives remuneration packages are reviewed by reference to East Coast's performance; the executive director's or senior executive's performance, comparable information from industry sectors and other listed companies in similar industries, which guidance from external remuneration sources. This provides a basis to ensure that base remuneration is set to reflect the market for a comparable role.

The performance of the executive director and senior executives is measured against criteria agreed annually and bonuses and incentives are linked to predetermined performance criteria and may, with shareholder approval, include the issue of shares and / or options. There are no schemes for retirement benefits, other than statutory superannuation for non-executive directors.

For a small cap company like East Coast it is not appropriate to carry a statement on prohibiting transactions in associated products.

A copy of the Remuneration and Nomination committee charter is publicly available on the East Coast web site.

Your directors present their report on East Coast Minerals NL (**East Coast** or the **Company**) for the period 1 July 2008 to 30 June 2009.

Current Directors

GRAHAM LIBBESSON
LLB, B.Com, CA.
Non-Executive Chairman

Mr Libbesson is a Chartered Accountant with nearly 30 years experience in taxation, management, mergers and acquisitions and financial transactions. Mr Libbesson is also a Director of ComOps Ltd and chairman of the audit committee of ComOps.

Mr Libbesson was appointed a director on 17 December 2007 and Chairman on 2 July 2008.

RICHARD SEALY
CA, MAICD
Managing Director

Mr Sealy has over the last 30 years held positions as financial director, managing director or chairman of a number of public and private companies in Australia, New Zealand and the United Kingdom. Mr Sealy has also been a public company director for over 25 years and specialises in managing and raising funds for start-up companies or companies in transition.

Mr Sealy's mining experience started in the early 1980's as General Manager of Mineral Resources Limited which reopened the Martha Hill gold mine in Waihi New Zealand. Mr Sealy has had extensive experience in fund raising including the float of New Zealand Oil & Gas NL, Oil Fields NL and united Resources Investment Holdings Limited. Mr Sealy is a director of Apollo Minerals Limited.

Mr Sealy was appointed a director East Coast on 17 March 2008 and Managing Director on 2 July 2008.

SEVAG CHALABIAN
B Econ, B Laws, M Laws & Mgmt.
Non-Executive Director

Mr Chalabian is a practicing commercial lawyer with particular specialisation in corporate and commercial transactions in the mining and property industries.

Mr Chalabian is Chairman of Apollo Minerals Limited and Artemis Resources Limited and Non-Executive Director of Bisan Limited.

Mr Chalabian was appointed a director on 24 June 2008.

Former Directors

LESLIE WHITE
(retired 2 July 2008)

Leslie White retired from the board on 2 July 2008 after 39 years of service to the Company.

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Secretary

JOHN HARTIGAN
(Compnay Secretary)
B Com, FAICD, FCIS, FCPA, ANZIIF (Senior Associate), AIMM

Mr. John Hartigan, who was appointed as secretary on 24 December 2008, has had extensive experience with public companies in director and senior executive roles, including 5 years as a non-executive director of the previously listed international Australian Oil & Gas Corporation Limited group, where he was also a member of the Audit Committee.

From September 2003 until July 2008 John was CFO & Secretary of the international eServGlobal Limited group, which is listed on the ASX and on the London Stock Exchange (AIM). He also had 9 years with Industrial Equity Limited, where he was Executive Director & Secretary for 4 years. John has had extensive experience in Corporate Governance and IPO Due Diligence (including Woolworths).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of the affairs of the parent entity occurred during the year:

- It acquired 56.54% of Energy Future NL on the 25 June 2009. This will be diluted to 51% once the shares are issued to InSitu. Energy Future NL holds 100% of Sydney Basin UCG Pty Limited. The purchase price was cash of $10 and 1 million East Coast shares at a fair value of $70,000 plus an option fee of $75,000. In addition East Coast agreed to fund the next $1.5 million of expenses in Energie Future NL;
- 46,495,118 ordinary partly paid shares paid to 2 cents were issued;
- 1,402,700 ordinary shares were issued as financial consideration for the repayment of the convertible note;
- There was a sale of listed shares; and
- Options were issued to the directors.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial period was mineral exploration and investment. There have been no significant changes in the nature of the Company's principal activities during the financial period.

SIGNIFICANT AFTER BALANCE SHEET DATE EVENTS

Since balance date the following events have occurred:

- On 1 July 2009 the Company issued 6 million ordinary shares at a price of 6 cents each;
- The Company disposed of its investment in former associate Minga Pty Ltd; and
- The Company will enter into a convertible note facility with a major partly paid shareholder. The facility is for $300,000 and attracts interest at the rate of 12% per annum and is convertible into ordinary shares. The Company has received a memorandum of understanding from the lender and will draw down the facility when legal documentation has been completed.

There are no other matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

Likely developments in the operations of the Company and the economic entity and the expected results of those operations in future financial years have not been included in this report as an inclusion of such information is likely to result in unreasonable prejudice to the Company and its controlled entities.

PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

The consolidated entity will comply with its obligations in relation to environmental regulation on both the Western Australian tenements and tenements owned by Energy Future NL. In addition should the economic entity exercise its option and acquire the Rawlins Project area, the Company and Energy Future NL will ensure that appropriate there is compliance with United States regulatory approvals that apply to the Rawlins Project in Wyoming.

OPERATING RESULTS

The loss of the consolidated entity after providing for income tax amounted to $2,338,713 (2008: $1,729,040).

GOING CONCERN

(a) This financial report has been prepared on a going concern basis as the directors believe that the Company will be able to realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial report. The continuation of the Company to operate as a going concern is dependent upon the ability to raise working capital from majority shareholders and other investors, to enable the Company to complete adequate exploration of its existing and newly acquired tenements.

(b) However, should the anticipated capital raisings not generate sufficient cash flows as expected, the Company may not be able to pay their debts as and when they become due and payable and they may be required to realise assets and extinguish liabilities other than in the ordinary course of business and at amounts different to those stated in the financial statements. This report does not include any adjustments relating to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

COMPANY SECRETARY

Mr Hartigan is the Company Secretary. Specific information in relation to his qualifications and experience is listed above.

REMUNERATION REPORT

Remuneration Policy

The remuneration policy of East Coast has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board of East Coast believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company, as well as create goal congruence between directors and shareholders.

The Board’s policy for determining the nature and amount of remuneration for board members is as follows:

- The remuneration policy, setting the terms and conditions (where appropriate) for the executive directors and other senior staff members, was developed by the Chairman and Company Secretary and approved by the Board;
- In determining competitive remuneration rates, the Board may seek independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices;

- The Company is a mineral exploration company, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives, such personnel are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly if the Company moves from exploration to a producing entity and key performance indicators such as profit and production can be used as measurements for assessing executive performance;
- All remuneration paid to directors is valued at the cost to the Company and expensed. Where appropriate, shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Chairman in consultation with independent advisors determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

COMPANY SHARE PERFORMANCE & SHAREHOLDER WEALTH

During the financial year the Company's share price traded between a low of $0.01 and a high of $0.13**.** In order to keep all investors fully-informed and minimize market fluctuations the Board will maintain promotional activity amongst the investor community so as to increase awareness of the Company.

DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

(a) Details of Directors and Key Management Personnel

(i) Directors

Graham Libbesson – Non-Executive Chairman
Richard Sealy – Managing Director
Sevag Chalabian – Non-Executive Director

(ii) Company secretary

John Hartigan – Company Secretary

(iii) Key Management Personnel

Other than the directors and company secretary, the Company had no Key Management Personnel for the financial period ended 30 June 2009.

Directors' remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year, relative comparative information and independent expert advice.

Except as detailed in Notes (a) – (e) to the Remuneration Report, no director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in Notes (a) – (e) to the Remuneration Report, prepared in accordance with the Corporations regulations, or the fixed salary of a full time employee of the Company.

(b) Remuneration of Directors and Key Management Personnel

Remuneration Policy

The Board of Directors is responsible for determining and reviewing compensation arrangements. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Remuneration of Directors of the Company and consolidated entity is set out below.

Period ended 30 June 2009	Short-term employee benefits	Equity Compensation		
	Base Salary and Fees $	Value of Options $	Superannuation Contributions $	TOTAL $
Graham Libbesson[1]	41,587	6,000	-	47,587
Richard Sealy[2]	36,667	6,000	3,075	45,742
Sevag Chalabian[3]	39,324	6,000	-	45,324
John Hartigan	-	-	-	-
Totals	**117,578**	**18,000**	**3,075**	**138,653**

[1] In the twelve months to 30 June 2009, fees of $41,587 (2008: $nil) were paid and / or accrued to Unorfadox Pty Limited (a company of which Mr Libbesson is a Director and Shareholder).

[2] In addition to Mr Sealy's remuneration for his role as director, fees have been paid to Sealy Consulting Services Pty Limited if which Mr Sealy is a Director and Shareholder, however, these are consulting fees billed on a time basis and are disclosed fully in Note 17 "**Related Party Transactions**".

[3] In the twelve months to 30 June 2009, fees of $39,324 (2008: $nil) were paid and / or accrued to Lands Legal Pty Limited (a company of which Mr Chalabian is a Director and Shareholder).

Period ended 30 June 2008	Short-term employee benefits			Equity Compensation	
	Base Salary and Fees $	Value of Options $	Superannuation Contributions $	Termination Benefits $	TOTAL $
Graham Libbesson[1]	11,634	-	990	-	12,624
Richard Sealy[2]	5,817	-	495	-	6,312
Sevag Chalabian[3]	-	-	-	-	-
John Hartigan	-	-	-	-	-
Leslie White	41,481	-	-	78,000	119,481
Gabriel Lorentz	21,329	-	1,815	22,000	45,144
Elizabeth Stoliar	21,329	-	1,815	22,000	45,144
Totals	**101,590**	**-**	**5,115**	**122,000**	**228,705**

(c) Key Management Personnel

Other than the Directors, the Company had no Key Management Personnel for the financial period ended 30 June 2009.

(d) Employee Related Share-based compensation

To ensure that the Company has appropriate mechanisms to continue to attract and retain the services of Directors and Employees of a high calibre, the Company has a policy of issuing options that are exercisable in future at a certain fixed price.

A total of 3 million options were granted to directors during the year at an exercise price of $nil, and only vet if the Company's share price reaches 20 cents. Upon exercising these options the directors will be issued with 9c partly paid shares, paid to 1c at nil consideration. In order for these shares to become fully paid ordinary shares, a payment of 8c per share will be required.

The options were granted on 31 October 2008, vest when the Company share price reaches 20c, and expire on 31 October 2011. The options can be exercised at any time after being vested and before their expiry date of 31 October 2011. The fair value of the shares using a Black and Scholes pricing model is recognised as an expense over the period from grant date to vesting date. The amount recognised as part of employee expenses during the year ended 30 June 2009 was $nil.

The terms and conditions of each share affecting reported remuneration in the previous, this or future reporting periods are:

Grant date	Expiry date	Exercise price	Value per option at grant date	First exercise date/vest date	Last exercise date
31/10/08	31/10/11	$nil*	$0.006	31/10/08	31/10/11

* Upon exercising these options the directors will be issued with 9c partly paid shares, paid to 1c. In order for these shares to become fully paid ordinary shares, a payment of 8c per share will be required.

Fair values at issue date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the options, the expected price volatility of the underlying share and the risk free rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2009 included:

(a) Exercise price of $nil on or before 31 October 2011

(b) Expected price volatility 100%

(c) Risk-free interest rate 4.53% (short term) and 4.84% (long term).

(d) Dividends – none.

	Options issued for the year ended 30 June 2009 (Number of Options)	Options issued for the year ended 30 June 2009 $
Key Management Personnel		
Graham Libbesson	1,000,000	6,000
Richard Sealy	1,000,000	6,000
Sevag Chalabian	1,000,000	6,000
John Hartigan	-	-
TOTAL	**3,000,000**	**18,000**

(e) Share and Option holdings

All equity dealings with directors have been entered into with terms and conditions no more favourable than those that the entity would have adopted if dealing at arm's length.

Shares held by Directors and Officers
Period from 1 July 2008 to 30 June 2009

Ordinary shares held by Directors, Officers and their interests

	Balance at beginning of period	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
G Libbesson	60,000	-	-	282,700[1]	342,700
R Sealy	40,000	-	-	230,270[2]	270,270
S. Chalabian[3]	576,000	-	-	601,580	1,177,580
J. Hartigan	-	-	-	-	-

Ordinary partly paid shares held by Directors, Officers and their interests

	Balance at beginning of period	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
G Libbesson[1]	-	-	-	950,270	950,270
R Sealy[2]	-	-	-	1,680,270	1,680,270
S. Chalabian[3]	-	-	-	11,777,580	1,177,580
J. Hartigan	-	-	-	-	-

[1] Held indirectly by Unorfadox Pty Limited ATF Libbesson Superannuation Fund, of which Mr Libbesson is a member.
[2] Held indirectly by Sealy Investments Pty Limited, of which Mr Sealy is a shareholder and director.
[3] Held indirectly by Brutus Investments Pty Limited, of which Mr Chalabian is a shareholder and director.

Options Held By Directors and Officers

	Balance at beginning of period	Received as Remuneration	Net Change Other	Balance at end of year
G Libbesson	-	-	1,000,000	1,000,000
R Sealy	-	-	1,000,000	1,000,000
S. Chalabian	-	-	1,000,000	1,000,000
J. Hartigan	-	-	-	-

Options issued as Part of Remuneration for the period ended 30 June 2009

No options have been issued to directors and executives as part of their remuneration for the period ended 30 June 2009. In future, any options so issued are not issued based on performance criteria, but are issued to the directors of East Coast to increase goal congruence between directors and shareholders.

Other Options issued

Type	No. Issued	No. Quoted	Exercise Price	Expiry Date
Ordinary Options*	25,000,000			31 January 2009
Ordinary Options*	50,000,000	-	$nil	31 October 2011

*Issued 31 October 2008

A total of 75 million options were granted Gravner Limited during the year. On 31 January 2009 25 million of these options expired. Upon exercising the remaining balance of these options Gravner Limited will be issued with 9c partly paid shares, paid to 1c. In order for these shares to become fully paid ordinary shares, a payment of 8c per share will be required. These options were granted for nil consideration. The 50 million options that were granted on 31 October 2008, vest when the Company's share price reaches 20c, and expire on 31 October 2011. The options can be exercised at any time after being vested and before their expiry date of 31 October 2011.

The fair value of the shares using a Black and Scholes pricing model is recognised as an expense over the period from grant date to vesting date. The amount recognised as part of employee expenses during the year ended 30 June 2009 was $nil.

MEETINGS OF DIRECTORS

The number of directors' meetings (including committees) held during the financial period each director held office during the financial period, and the number of meetings attended by each director are:

	Directors Meetings	
Director	Meetings Attended	Number Eligible to Attend
G Libbesson	19	19
R Sealy	19	19
S. Chalabian	19	19

INDEMNIFYING OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him or her in his or her capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

During the financial period, the Company has paid insurance premiums of $16,635 in respect of directors' and officers' liability. The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending legal proceedings, whether civil or criminal and whatever their outcome;
- Other liabilities that may arise from their position, with the exception of conduct involving wilful breach of duty or improper use of information to gain a personal advantage.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceeding to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the period ended 30 June 2009 has been received and can be found on the following page.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services performed during the period by the entity's auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reason:

- No amounts were paid to the Company's auditors during the year ended 30 June 2009 for non-audit related services.

This report is made in accordance with a resolution of the directors.

Richard Sealy
Managing Director
Sydney, 30 September 2009

RSM Bird Cameron Partners
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of East Coast Minerals N.L. for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

C J Hume
Partner

Sydney, NSW
Dated: 29th September 2009

Liability limited by a scheme approved under Professional Standards Legislation

Major Offices in:
Perth, Sydney, Melbourne, Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an independent member firm of RSM International, an affiliation of independent accounting and consulting firms.

Quality System
Quality Endorsed Company
ISO 9001 Lic 5600 SAI Global

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	**Consolidated Group 2009 $**	Consolidated Group 2008 $	**Parent Entity 2009 $**	Parent Entity 2008 $
Revenue	2	**15,489**	18,879	**15,489**	18,879
Administrative expenses		**(327,790)**	(300,707)	**(338,718)**	(300,707)
Exploration expenditure		**(211,694)**	-	**(130,117)**	-
Consultants fees		**(254,013)**	(7,425)	**(254,013)**	(7,425)
Compliance and regulatory expenses		**(80,618)**	-	**(80,618)**	-
Employee benefit expense		**(45,161)**	(5,115)	**(45,161)**	(5,115)
Finance costs	3	**(1,692)**	(11,968)	**(1,692)**	(11,968)
Depreciation expense		**(540)**	-	**(540)**	-
Payments to directors or directors related companies		**(117,578)**	(228,705)	**(117,578)**	(228,705)
Goodwill written off		**(251,323)**	-	**-**	-
Loss on disposal of investments		**(493,208)**	-	**(493,208)**	-
Share based payments	21	**(320,000)**	-	**(320,000)**	-
Impairment expense		**(281,198)**	(1,475,271)	**(518,372)**	(1,475,271)
LOSS BEFORE INCOME TAX		**(2,369,326)**	(2,010,312)	**(2,284,528)**	(2,010,312)
Income tax benefit	4	**-**	281,272	**-**	281,272
LOSS FOR THE PERIOD		**(2,369,326)**	(1,729,040)	**(2,284,528)**	(1,729,040)
LOSS ATTRIBUTABLE TO MINORITY EQUITY INTEREST		**(30,613)**	-	**-**	-
LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		**(2,338,713)**	(1,729,040)	**(2,284,528)**	(1,729,040)
Earnings per share					
Basic loss per share (cents per share)	19	**(4.35)**	(3.72)	**(4.25)**	(3.72)
Diluted loss per share (cents per share)	19	**(4.35)**	(3.72)	**(4.25)**	(3.72)

The Income Statements are to be read in conjunction with the attached notes

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	**Consolidated Group 2009 $**	Consolidated Group 2008 $	**Parent Entity 2009 $**	Parent Entity 2008 $
CURRENT ASSETS					
Cash and cash equivalents	5	**48,904**	771,040	**45,400**	771,040
Trade and other receivables	6	**64,168**	2,857	**45,025**	2,857
Financial assets	7	**-**	900,440	**-**	900,440
TOTAL CURRENT ASSETS		**113,072**	1,674,337	**90,425**	1,674,337
NON-CURRENT ASSETS					
Trade and other receivables	6	**27,000**	-	**27,000**	-
Financial assets	7	**7,510**	435,548	**43,620**	435,548
Property, Plant and Equipment		**2,355**	-	**2,355**	-
Exploration and evaluation expenditure	9	**545,064**	545,064	**545,064**	545,064
Intangible assets	10	**674**	-	**-**	-
TOTAL NON-CURRENT ASSETS		**582,603**	980,612	**618,039**	980,612
TOTAL ASSETS		**695,675**	2,654,949	**708,464**	2,654,949
CURRENT LIABILITIES					
Trade and other payables	11	**597,014**	292,191	**470,951**	292,191
TOTAL CURRENT LIABILITIES		**597,014**	292,191	**470,951**	292,191
NON CURRENT LIABILITIES					
Trade and other payables		**-**	-	**-**	-
TOTAL NON CURRENT LIABILITIES		**-**	-	**-**	-
TOTAL LIABILITIES		**597,014**	292,191	**470,951**	292,191
NET ASSETS		**98,661**	2,362,758	**237,513**	2,362,758
EQUITY					
Share Capital	12	**9,182,316**	8,686,730	**9,182,316**	8,686,730
Reserves	13	**320,000**	656,303	**320,000**	656,303
Accumulated losses		**(9,318,988)**	(6,980,275)	**(9,264,803)**	(6,980,275)
Parent interest		**183,328**	2,362,758	**237,513**	2,362,758
Minority equity interest		**(84,667)**	-	**-**	-
TOTAL EQUITY		**98,661**	2,362,758	**237,513**	2,362,758

The Balance Sheets are to be read in conjunction with the attached notes.

CONSOLIDATED GROUP	Share Capital $	Fair Value Reserve $	Options Reserve $	Accumulated Losses $	Minority Equity Interest $	Total $
At 1 July 2007	7,835,470	819,931	-	(5,251,235)	-	3,404,166
Profit (loss) for the period	-	-	-	(1,729,040)	-	(1,729,040)
Issue of share capital	705,554	-	-	-	-	705,554
Equity facility funding	145,706	-	-	-	-	145,706
Change in fair value of financial assets (net of deferred tax)	-	(163,628)	-	-	-	(163,628)
Balance as at 30 June 2008	**8,686,730**	**656,303**	**-**	**(6,980,275)**	**-**	**2,362,758**
Profit (loss) for the period	-	-	-	(2,338,713)	(30,613)	(2,369,326)
Equity facility funding	145,706	-	-	-	-	145,706
Acquisition of Energie Future N.L.	70,000	-	-	-	-	70,000
Pre-acquisition retained earnings	(142)	-	-	-	(54,054)	(54,196)
Issue of share capital	280,022	-	-	-	-	280,022
Options granted	-	-	320,000	-	-	320,000
Change in fair value of financial assets (net of deferred tax)	-	(656,303)	-	-	-	(656,303)
Balance as at 30 June 2009	**9,182,316**	**-**	**320,000**	**(9,318,988)**	**(84,667)**	**98,661**

PARENT ENTITY	Share Capital $	Fair Value Reserve $	Options Reserve $	Accumulated Losses $	Total $
At 1 July 2007	7,835,470	819,931	-	(5,251,235)	3,404,166
Profit (loss) for the period	-	-	-	(1,729,040)	(1,729,040)
Issue of share capital	705,554	-	-	-	705,554
Equity facility funding	145,706	-	-	-	145,706
Change in fair value of financial assets (net of deferred tax)	-	(163,628)	-	-	(163,628)
Balance as at 30 June 2008	**8,686,730**	**656,303**	**-**	**(6,980,275)**	**2,362,758**
Profit (loss) for the period	-	-	-	(2,284,528)	(2,284,528)
Partly paid bonus shares	-	-	-	-	
Equity facility funding	145,706	-	-	-	145,706
Change in fair value of financial assets (net of deferred tax)	-	(656,303)	-	-	(656,303)
Options Issued	-	-	320,000	-	320,000
Acquisition of Energie Future N.L.	70,000	-	-	-	70,000
Issue of share capital	279,880	-	-	-	279,880
Balance as at 30 June 2009	9,182,316	-	320,000	(9,264,803)	237,513

The Statements of Changes in equity are to be read in conjunction with the attached notes.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	**Consolidated Group 2009 $**	Consolidated Group 2008 $	**Parent Entity 2009 $**	Parent Entity 2008 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		**(981,282)**	(286,723)	**(922,612)**	(286,723)
Interest received		**15,489**	18,879	**15,489**	18,879
Interest paid		**(1,692)**	(11,968)	**(1,692)**	(11,968)
NET CASH USED IN OPERATING ACTIVITIES		**(967,485)**	(279,812)	**(908,815)**	(279,812)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for subsidiaries, net of cash acquired	**22**	**(75,110)**	-	**(75,110)**	-
Payments to subsidiaries		**-**	-	**(62,174)**	-
Payment for exploration and evaluation expenditure capitalised		**(281,198)**	(144,354)	**(281,198)**	(144,354)
Purchase of property, plant and equipment		**(2,895)**	-	**(2,895)**	-
Proceeds from sale of investments		**178,977**	-	**178,977**	-
NET CASH USED IN INVESTING ACTIVITIES		**(180,226)**	(144,354)	**(242,400)**	(144,354)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares and options		**425,575**	1,260	**425,575**	1,260
Proceeds from drawdown of convertible finance facility		**-**	850,000	**-**	850,000
Proceeds from repayment of loans from related parties		**-**	131,493	**-**	131,493
Costs of issue of shares		**-**	-	**-**	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**425,575**	982,753	**425,575**	982,753
NET INCREASE/(DECREASE) IN CASH HELD		**(722,136)**	558,587	**(725,638)**	558,587
Cash at the beginning of the financial period		**771,040**	212,453	**771,040**	212,453
CASH AT THE END OF THE FINANCIAL PERIOD		**48,904**	771,040	**45,400**	771,040

The Cash Flow Statements are to be read in conjunction with the attached notes

This financial report includes the consolidated financial statements and notes of East Coast and controlled entities (**Consolidated Group** or **Group**), and the separate financial statements and notes of East Coast as an individual parent entity (**Parent**).

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards in their entirety . Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

As disclosed in the financial statements, the company and consolidated entity recorded operating losses of $2,284,528 and $2,338,713 respectively, and had net cash outflows from operating activities of $908,815 and $967,485 respectively for the year ended 30 June 2009. At that date the company and consolidated entity have net current liabilities of $380,526 and $483,492 respectively.

The Directors acknowledge that, as in prior accounting periods, to continue the exploration and development of the company and consolidated entity's mineral exploration projects, the budgeted cash outflows from operating and investing activities for the 30 June 2010 financial year, will necessitate further capital raisings. In the event that the company and consolidated entity are unable to continue as going concerns (due to an inability to raise future funding requirements), they may be required to realise their assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise as a result of cessation or curtailment of normal business operations.

The Directors believe after consideration of the following matters, there are reasonable grounds to believe that the company and consolidated entity will be able to pay their debts as and when they become due and payable and are going concerns because of the following factors:

- The ability to make a call on the partly paid shares;
- The company and consolidated entity have been successful in raising capital during the year (per note 12) and subsequent to year end (per note 23). The company and consolidated entity have the ability to continue to raise additional funds on a timely basis, pursuant to the *Corporations Act 2001*;
- The company has received a letter of support from an underwriter which provides additional funding in the form of a convertible note of up to $1,000,000;
- The ability of the company and consolidated entity to further scale back certain parts of their activities that are non essential so as to conserve cash; and
- The company and consolidated entity retain the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets.

Accordingly, the Directors believe that the company and consolidated entity will obtain sufficient funding to enable them to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

b. Consolidation Policy

A controlled entity is an entity over which East Coast has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in note 8 to the financial statements.

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the period then ended.

The effects of all transactions between entities in the economic entity have been eliminated in full and the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Minority interest is that portion of the profit or loss and net assets of subsidiaries attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

c. Income Taxes

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

East Coast and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity.

d. Exploration and Evaluation Costs

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

e. Leases

A distinction is made between finance leases which transfer from the lessor to the lessee substantially all the risks and rewards incident to ownership of the leased asset and operating leases under which the lessor retains substantially all the risks and rewards.

Where an asset is acquired by means of a finance lease, the fair value of the leased property or the present value of minimum lease payments, if lower, is established as an asset at the beginning of the lease term. A corresponding liability is also established and each lease payment is apportioned between the finance charge and the reduction of the outstanding liability.

Operating lease rental expense is recognised as an expense on a straight line basis over the lease term, or on a systematic basis more representative of the time pattern of the user's benefit.

f. Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value.

The amortised cost of a financial asset or a financial liability is the amount initially recognised less principal repayments, plus or minus cumulative amortisation of any difference between the initial amount and maturity amount and less any write-down for impairment.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the entity.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. Financial assets and financial liabilities classified as held for trading are measured at fair value through profit or loss.

Upon initial recognition a financial asset or financial liability is designated as at fair value through profit or loss when:

(a) An entire contract containing one or more embedded derivatives is designated as a financial asset or financial liability at fair value through profit or loss.

(b) Doing so results in more relevant information, because either:

  (i) It eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising gains or losses on them on different bases.

  (ii) A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to key management personnel.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured are not designated as at fair value though profit or loss. A gain or loss arising from a change in the fair value of a financial asset or financial liability classified as at fair value through profit or loss is recognised in profit or loss.

Financial assets not measured at fair value comprise:

(a) Loans and receivables being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest rate method.

(b) Held-to-maturity investments being non-derivative financial assets with fixed or determinable payments and fixed maturity that will be held to maturity. These are measured at amortised cost using the effective interest method.

(c) Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. These are measured at cost together with derivatives that are linked to and must be settled by the delivery of such investments.

Available-for-sale financial assets are non-derivative financial assets which are designated as available-for-sale or that is not classified as loans and receivables, held-to-maturity investments or financial assets as at fair value through profit or loss. A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognised directly in profit or loss.

Regular way purchases of financial assets are accounted for as follows:

- Financial assets held for trading - at trade date
- Held-to-maturity investments - at trade date
- Loans and receivables - at trade date
- Available-for-sale financial assets - at trade date

Except for the following all financial liabilities are measured at amortised cost using the effective interest rate method.

(a) Financial liabilities at fair value through profit and loss and derivatives that are liabilities measured at fair value.

(b) Financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or are accounted for using the continuing involvement approach.

Receivables

Trade accounts and notes receivable and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

Trade and Other Payables

Trade accounts, other payables and accrued liabilities represented the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

g. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

h. Investments in Subsidiaries

In the separate financial statements of East Coast investments in its subsidiaries are accounted for at cost.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

j. Revenue Recognition

Interest revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium.

k. Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of such a qualifying asset.

The amount of borrowing costs relating to funds borrowed generally and used for the acquisition of qualifying assets has been determined by applying a capitalisation rate to the expenditures on those assets. The capitalisation rate comprises the weighted average of borrowing costs incurred during the period.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

n. New accounting standards and interpretations not yet adopted

The following Australian Accounting Standards have been issued or amended and are applicable to the Company but are not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Company's financial report:

Standard	Application date of Standard	Application date for Company
• AASB 101 Presentation of Financial Statements' revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101', AASB 2007-10 'Further amendments to Australian Accounting Standards arising from AASB 101'	1 January 2009	30 June 2010
• AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8'	1 January 2009	30 June 2010
• AASB 2009-2 'Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments'	1 January 2009 (and that ends on or after 30 April 2009)	30 June 2010

Initial application of the following Standards/Interpretations is not expected to have any material impact on the financial report of the Company:

Standard	Application date of Standard	Application date for Company
• AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	30 June 2010
• AASB 3 'Business Combinations' (revised), AASB 127 'Consolidated and Separate Financial Statements' (revised) and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	1 January 2009	30 June 2010
• AASB 2008-1 'Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations'	1 January 2009	30 June 2010
• AASB 2008-2 'Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation'	1 January 2009	30 June 2010
• AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 January 2009	30 June 2010
• AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 July 2009	30 June 2010
• AASB 2008-7 'Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009	30 June 2010

• AASB 2008-8 'Amendments to Australian Accounting Standards – Eligible Hedged Items'	1 July 2009	30 June 2010
• AASB 2009-4 'Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	1 July 2009	30 June 2010
• AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	1 January 2010[1]	30 June 2011
• AASB 2009-6 "Amendments to Australian Accounting Standards"	1 January 2009[2]	30 June 2010
• AASB 2009-7 "Amendments to Australian Accounting Standards"	1 July 2009	30 June 2010
• AASB Interpretation 15 'Agreements for the Construction of Real Estate'	1 January 2009	30 June 2010
• AASB Interpretation 16 'Hedges of a Net Investment in a Foreign Operation'	1 October 2008	30 June 2010
• AASB Interpretation 17 'Distributions of Non-cash Assets to Owners', AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners'.	1 July 2009	30 June 2010
• AASB Interpretation 18 'Transfers of Assets from Customers'	1 July 2009[3]	30 June 2010

o. Significant judgements and key assumptions

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

p. Key judgements

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at $545,064 (2008: $545,064).

It is currently assumed that the Company's main assets, exploration expenditure carried forward will generate profitable results in the future. Should this assumption prove incorrect then material adjustments may have to be made for impairment losses in respect of exploration expenditure up to the maximum carrying value of $545,064 at 30 June 2009.

2. REVENUE AND OTHER INCOME

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Interest received – unrelated parties	**15,489**	6,933	**15,489**	6,933
Interest received – related parties	**-**	11,946	**-**	11,946
	15,489	18,879	**15,489**	18,879

[1] Applicable to financial years beginning on or after 1 January 2010, except for the amendments made to the guidance to AASB 118 'Revenue' that have no explicit application date and are taken to be immediately effective.

[2] Applicable to financial years beginning on or after 1 January 2009 that end on or after 30 June 2009.

[3] AASB Interpretation 18 applies to transfers of assets from customers received on or after 1 July 2009.

3. FINANCE COSTS

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Finance costs – unrelated parties	**1,692**	11,968	**1,692**	11,968
	1,692	11,968	**1,692**	11,968

4. INCOME TAX EXPENSE

(a) No income tax is payable by the parent or consolidated entities as they recorded losses for income tax purposes for the period.

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
(b) Reconciliation between income tax expense and prima facie tax on accounting loss				
Accounting profit / (loss)	**(2,338,713)**	(676,172)	**(2,284,528)**	(676,172)
Tax at 30%	**(701,614)**	(202,852)	**(685,358)**	(202,852)
Recognition of previously unrecognised tax losses	**-**	(35,417)	**-**	(35,417)
Tax effect of non-deductible expenses (including share based payment expense)	**95,155**	-	**95,155**	-
Write downs to recoverable amounts	**-**	-	**27,652**	-
Revaluation of shares not subject to income tax	**-**	-	**43,500**	-
Exploration expenditure capitalised in the financial statements, deductible when incurred	**84,244**	(43,306)	**84,244**	(43,306)
Deferred tax asset arising from tax losses calculated at 30% not recognised	**(522,215)**	-	**(434,807)**	-
Income tax expense	**-**	(281,272)	**-**	(281,272)
The applicable weighted average effective tax rates are as follows:	**0%**	42%	**0%**	42%

A deferred tax asset attributable to income tax losses has not been recognised at the balance sheet date as the probability disclosed in note 1c is not satisfied and such benefit will only be available if the conditions of deductibility also disclosed in note 1c are satisfied.

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in note 1 (c) occur:				
• Temporary differences	**1,500**	-	**54,000**	-
• Tax losses: Operating losses	**3,922,511**	2,181,794	**3,631,150**	2,181,794
Deferred tax liabilities not brought to account, the outflows from which will only be realised if it becomes probable that the temporary difference will reverse in the foreseeable future:				
• Temporary differences	**163,519**	-	**191,171**	-

Tax-consolidated group

The entity has yet to make an election to consolidate and be treated as a single entity for income tax purposes.

5. CASH AND CASH EQUIVALENTS

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Cash and cash equivalents	**48,904**	771,040	**45,400**	771,040
	48,904	771,040	**45,400**	771,040

6. TRADE AND OTHER RECEIVABLES

		Consolidated Group		Parent Entity	
		2009	2008	**2009**	2008
		$	$	**$**	$
CURRENT					
Other receivables		**64,168**	2,857	**45,025**	2,857
Total current trade and other receivables		**64,168**	2,857	**45,025**	2,857
NON-CURRENT					
Other receivables		**27,000**	-	**27,000**	-
Receivables from subsidiaries	(a)	**-**	-	**92,174**	-
Receivables from subsidiaries - Provision for impairment	(b)	**-**	-	**(92,174)**	-
Total non-current trade and other receivables		**27,000**	-	**27,000**	-

a. Loans provided to wholly-owned subsidiaries are provided for normal business operations and are interest free with no set term and are considered recoverable.

b. Provision for Impairment of Receivables
A provision for impairment is recognized when there is objective evidence that an individual loan is impaired. These amounts are included in impairment expenses.

Movement in the provision for impairment of receivables is as follows:

		Consolidated Group		Parent Entity	
		2009	2008	**2009**	2008
		$	$	**$**	$
Opening balance		-	-	**-**	-
Increase in provision for impairment	(a)	-	-	**92,174**	-
Amounts written off during the year	(b)	-	-	**-**	-
Closing balance		-	-	**92,174**	-

Credit Risk – Trade and other receivables

The group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those specifically provided for and mentioned within note 6.

All trade and other receivables are neither past due nor impaired.

Financial assets classified as loans and receivables

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Trade and other receivables				
- Total current	**64,168**	2,857	**45,025**	2,857
- Total non-current	**27,000**	-	**27,000**	-
	91,168	2,857	**72,025**	2,857

7. OTHER FINANCIAL ASSETS

	Note	Consolidated Group		Parent Entity	
		2009	2008	**2009**	2008
		$	$	**$**	$
CURRENT					
Available for sale investments at fair value through profit or loss:					
• ASX listed shares		**-**	900,440	**-**	900,440
NON-CURRENT					
Investments carried fair value:					
• Investments in subsidiaries	**8**	**-**	-	**181,110**	-
• Less impairment provision		**-**	-	**(145,000)**	-
Available for sale investments in related parties carried at fair value:					
• unlisted shares		**7,510**	138,603	**7,510**	138,603
• ASX listed shares		**-**	296,945	**-**	296,945
Total non-current financial assets		**7,510**	435,548	**43,620**	435,548

Notwithstanding the value contributed to the Company from the purchase of Energie Future, and the expected value to be realised in the future, given the speculative nature of the interests the Directors impaired the investment so as not to overstate the net assets.

8. CONTROLLED ENTITIES

	Country of Incorporation	Ownership % 2009	Ownership % 2008
Parent Entity:			
East Coast	Australia	-	-
Subsidiaries:			
East Coast Metals Pty Limited	Australia	100	-
Energie Future N.L.	Australia	55	-
Sydney Basin UCG Pty Limited	Australia	55	-

On 25 June 2009 the company acquired 56.54% of Energie Future NL this will be diluted to 51% when the shares are issued to InSitu. Energie Future holds 100% of Sydney Basin UCG Pty Limited.

At the time of acquisition, the original shareholders of Energie Future were issued 80 million performance-based options in EFNL to acquire partly paid shares of 10 cents each credited as paid to 1 cent ("Performance Options").The key terms of the Performance Options are:

- They will only vest once the value of Energy Future has been established as meeting the "**Vesting Price**" (as shown below) by reference to an arm's length third party investing in Energy Future;
- The partly paid shares to be issued must be paid in full by the "Paid in Full Date" (shown below) otherwise they will be subject to forfeiture;
- Energie Future will not be able to make calls on the partly paid shares issued pursuant to the options until the last day of the Paid in Full Date;
- Tranche 3, 4 and 5 of the Performance Options will lapse in the event of Rick Somerton, the current Managing Director of Energie Future ceases to be Managing Director for "Just Cause" or for lack of skill;

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
No Options on Issue	8 Million	8 Million	16 Million	32 Million	16 Million
Vesting Price	10 cents	20 cents	30 cents	50 cents	70 cents
Option Expiry Date	2 years	2 years	3 years	4 years	5 years
Paid in Full Date	5 years	5 years	4 years	3 years	2 years

- In addition to the above Performance Options, a further 20 million options in Energie Future have been reserved for InSitu.

The effect of these options vesting and being exercised is that the Energie Future will receive $10 million in cash to help fund the developments. The shares to be issued by the exercise of the options will not however be issued until the share price of Energie Future has reached the Vesting Price. Therefore while the new shares will cause dilution to East Coast's percentage interest in Energie Future, the value of East Coast's interest will have risen accordingly.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $	Fair value $
Goodwill	-	251,323
Current assets	23,431	23,431
Current liabilities	(147,798)	(147,798)
	(124,367)	126,956
Minority interests		54,054
Net assets acquired		181,010

Losses of Energie Future N.L. included in consolidated loss of the group since acquisition date on 25 June 2009 to the end of financial year amounted to $70,439.

During August 2008 the company acquired 100% of the issued share capital of East Coast Metals Pty Limited at par value. The asset arising from the acquisition was $100 cash.

9. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Evaluation and exploration expenditure	**545,064**	545,064	**545,064**	545,064
Reconciliation of carrying amount				
Balance at beginning of financial period	**545,064**	1,734,850	**545,064**	1,734,850
Acquisition of tenements	**-**	-	**-**	-
Expenditure in current period	**281,198**	144,354	**281,198**	144,354
Provision for impairment	**(281,198)**	(1,334,140)	**(281,198)**	(1,334,140)
Balance at end of financial period	**545,064**	545,064	**545,064**	545,064

(c) Exploration and Evaluation Phase Costs

Costs capitalised on areas of interest have been reviewed for impairment factors, such as resources prices, ability to meet expenditure going forward and potential resource downgrades. It is the Directors' opinion that the Company has ownership, or title to the areas of interests it has capitalised expenditure on and has reasonable expectations that its activities are ongoing, and the values of these tenements have not been impaired.

10. INTANGIBLE ASSETS

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Goodwill				
Net carrying value	**674**	-	**674**	-
Consolidated Group:				
Year ended 30 June 2008				
Balance at the beginning and end of the year	**-**	-	**-**	-
Year ended 30 June 2009				
Balance at the beginning of the year	**-**	-	**-**	-
Acquisitions through business combinations	**251,905**	-	**251,905**	-
Goodwill written off	**(251,231)**	-	**(251,231)**	-
Closing value at 30 June 2009	**674**	-	**674**	-

Goodwill has an infinite life. The goodwill is attributable to intellectual property and mining licences held by Energie Future Pty Limited. Notwithstanding the value contributed to the Company from the purchase of Energie Future, and the expected value to be realised in the future, given the speculative nature of the interests the directors have written off the goodwill on acquisition so as not to overstate the net assets.

11. TRADE AND OTHER PAYABLES

(a)	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
CURRENT				
Unsecured liabilities				
Trade payables	**178,796**	204,718	**82,732**	204,718
Sundry payables and accrued expenses	**394,085**	87,473	**364,086**	87,473
Amounts payable to:				
• Key management personnel related entities	**24,133**	-	**24,133**	-
	597,014	292,191	**470,951**	292,191

(b) Financial liabilities at amortised cost classified as trade and other payables

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Trade and other payables:				
• Total current	**597,014**	292,191	**470,951**	292,191
• Total non-current	**-**	-	**-**	-
	597,014	292,191	**470,951**	292,191
Less annual leave entitlements	**(3,930)**	-	**(3,930)**	-
	593,084	292,191	**467,021**	292,191

12. SHARE CAPITAL

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
48,709,334 (2008: 44,996,568) fully paid ordinary shares	**8,252,414**	8,526,038	**8,252,414**	8,526,038
46,495,118 (2008: 1,498,550) ordinary shares paid to 2c	**929,902**	-	**929,902**	-
	9,182,316	8,526,038	**9,182,316**	8,526,038

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called. Partly paid shares are allocated voting rights in the proportion of the amount paid per share compared to the total amount payable per share.

Reconciliation of movements in share capital during the year:

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	No. Shares	No. Shares	**No. Shares**	No. Shares
Ordinary fully paid shares				
Opening balance – start of reporting period	**44,996,568**	39,112,450	**44,996,568**	39,112,450
Shares converted during the year				
• 30 October 2007		6,000		6,000
• 29 January 2008		9,000		9,000
• 7 October 2008	**95,850**		**95,850**	
• 29 October 2008	**1,402,700**		**1,402,700**	
Shares issued during the year				
• 4 June 2008		5,869,118		5,869,118
• 5 January 2009[1]	**1,214,216**		**1,214,216**	
• 25 June 2009[2]	**1,000,000**		**1,000,000**	
	48,709,334	44,996,568	**48,709,334**	44,996,568

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	No. Shares	No. Shares	**No. Shares**	No. Shares
Ordinary partly paid shares				
Opening balance – start of reporting period – partly paid 9c shares paid to 6c	**1,498,550**	1,513,550	**1,498,550**	1,513,550
Shares converted during the year				
• 30 October 2007		(6,000)		(6,000)
• 29 January 2008		(9,000)		(9,000)
• 7 October 2008 – 3c paid up[3]	**(95,850)**		**(95,850)**	
• 29 October 2008 – sold as fully paid at auction[4]	**(1,402,700)**		**(1,402,700)**	
Shares issued during the year				
• 19 November 2008 – paid to 1c with 7c to pay[5]	**46,495,118**		**46,495,118**	
	46,495,118	1,498,550	**46,495,118**	1,498,550

1 On 5 January 2009 the company issued 1,214,216 ordinary shares with the approval of shareholders at an EGM on 31 October 2008.

2 On 25 June 2009, as part of the acquisition of its interest in Energie Future, the Board of East Coast Minerals NL allotted 1,000,000 fully paid ordinary shares for a consideration of $70,000. 250,000 of the shares allotted will remain in escrow for a period of one year.

3 On 7 October 2008 there was a final payment of 3c on 95,850 9c shares paid to 6c that converted the shares to fully paid shares.

4 On 29 October 2008 there was a final payment on 1,402,700 partly paid shares that converted the shares to 9c fully paid shares at no extra.

5 On 19 November 2008 the company issued 46,495,118 ordinary shares partly paid to 1c, pro rata to the ordinary holders of East Coast

On 18 February 2009 a call of 1c per share was made on the 96,895,118 partly paid shares.

The Board in consultation with management controls the capital of the group in order to ensure that the group can fund its operations and continue as a going concern.

The group's capital includes ordinary share capital, both fully paid and partly paid.

There are no externally imposed capital requirements.

The Board effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to maintain share capital as dictated by operational requirements and market conditions.

13. RESERVES

		Consolidated Group		Parent Entity	
		2009	2008	**2009**	2008
		$	$	**$**	$
Options reserve	**(a)**	**320,000**	-	**320,000**	-
Fair value reserve	**(b)**	**-**	656,303	**-**	656,303
		320,000	656,303	**320,000**	656,303

a. Options reserve
The options reserve represents the charge for outstanding options which have met all conditions precedent to vest, but which have not been exercised.

b. Fair value reserve
The fair value reserve represents the revaluation of available for sale financial assets.

14. FINANCIAL RISK MANAGEMENT

The group's principal financial instruments comprise mainly of deposits with banks, shares in listed companies shown as available for sale financial assets, and loans to subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group 2009 $	Consolidated Group 2008 $	**Parent Entity 2009 $**	Parent Entity 2008 $
Financial assets				
Cash and cash equivalents	**48,904**	771,040	**45,400**	771,040
Trade and other receivables	**91,168**	2,857	**72,025**	2,857
Financial assets at fair value through profit or loss	**7,510**	1,335,988	**43,620**	1,335,988
	147,582	2,109,885	**161,045**	2,109,885
Financial liabilities				
Trade and other payables	**593,084**	292,191	**467,021**	292,191
	593,084	292,191	**467,021**	292,191

Financial Risk Management Policies

The board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of future cash flow requirements.

Specific Financial Risk Exposure and Management

The main risks arising from the Company's financial instruments are interest rate risk, credit risk liquidity risk and price risk.

a. Interest rate risk

The group's main interest rate risk arises from exposure to earnings volatility on cash deposits to be applied to exploration and development areas of interest.

It is the group's policy to invest cash in short term deposits to minimise the group's exposure to interest rate fluctuations. The group's deposits were denominated in Australian dollars throughout the year. The group did not enter into any interest rate swap contracts during the period ended 30 June 2009. Neither the group nor the parent has any short or long term debt, and therefore this risk is minimal.

b. Credit Risk

Credit risk refers to the risk that counterparties will default on its contractual obligations resulting in financial loss to the group.

The group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The cash transactions of the group are limited to high credit quality financial institutions.

The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the group's maximum exposure to credit risk.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

The group has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

The group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Consolidated Group. The trade receivables balances at 30 June 2009 and 30 June 2008 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

c. Liquidity Risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following:

- Preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- Monitoring undrawn credit facilities;
- Managing credit risk related to financial assets; and
- Only investing surplus cash with major financial institutions

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

Consolidated Group	Within 1 year		1 to 5 years		Over 5 years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Financial liabilities - due for payment:								
Trade and other payables	593,084	292,191	-	-	-	-	593,084	292,191
Total contractual outflows	593,084	292,191	-	-	-	-	593,084	292,191
Financial assets – cash flows realisable								
Cash and cash equivalents	48,904	771,040	-	-	-	-	48,904	771,040
Trade and other receivables	91,168	2,857	-	-	-	-	91,168	2,857
Financial assets at fair value through profit or loss	-	1,328,478	7,510	7,510	-	-	7,510	1,335,988
Total anticipated inflows	140,072	2,102,375	7,510	7,510	-	-	147,582	2,109,885

Consolidated Group	**Within 1 year**		**1 to 5 years**		**Over 5 years**		**Total**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Net (outflow)/ inflow on financial instruments	(453,012)	1,810,184	(151,390)	7,510	-	-	(445,502)	1,817,694

Parent entity	**Within 1 year**		**1 to 5 years**		**Over 5 years**		**Total**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Financial liabilities - due for payment:								
Trade and other payables	467,021	292,191	-	-	-	-	467,021	292,191
Total contractual outflows	467,021	292,191	-	-	-	-	467,021	292,191
Financial assets – cash flows realisable								
Cash and cash equivalents	45,400	771,040	-	-	-	-	45,400	771,040
Trade and other receivables	72,025	2,857	-	-	-	-	72,025	2,857
Financial assets at fair value through profit or loss	-	1,328,478	43,620	7,510	-	-	43,620	1,335,988
Total anticipated inflows	117,425	2,102,375	43,620	7,510	-	-	161,045	2,109,885
Net (outflow)/ inflow on financial instruments	(349,596)	1,810,184	43,620	7,510	-	-	(305,976)	1,817,694

d. Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors, and performance of the underlying asset.

The group is exposed to securities price risk on investments held for medium to longer terms. Such risk is managed through an appropriate level of review of the fundamentals of each investment or acquisition.

Fair value of financial assets and financial liabilities

There is no difference between the fair values and the carrying amounts of the company's financial instruments. The company has no unrecognised financial instruments at balance date.

Sensitivity Analysis

The following table illustrates sensitivities to the group's exposure to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated group		Parent Entity	
	Profit	Equity	Profit	Equity
30 June 2009	$	$	$	$
+/- 2 % in interest rates	+/- 978	+/- 978	+/- 910	+/- 910
+/- 10% in listed investments	-	-	-	-
30 June 2008				
+/- 2 % in interest rates	+/- 15,421	+/- 15,421	+/- 15,421	+/- 15,421
+/- 10% in listed investments	+/- 119,739	+/- 119,739	+/- 119,739	+/- 119,739

15. COMMITMENTS FOR EXPENDITURE

The consolidated group currently has commitments for expenditure at 30 June 2009 on its exploration tenements as follows:

	Consolidated Group 2009 $	Consolidated Group 2008 $	**Parent Entity 2009 $**	Parent Entity 2008 $
Not later than 12 months	**255,500**	220,000	**255,500**	220,000
Between 12 months and 5 years	**-**	-	**-**	-
Greater than 5 years	**-**	-	**-**	-
	255,500	220,000	**255,500**	220,000

The consolidated group currently has commitments for consultancy contracts at 30 June 2009 as follows:

	Consolidated Group 2009 $	Consolidated Group 2008 $	**Parent Entity 2009 $**	Parent Entity 2008 $
Not later than 12 months	**320,000**	-	**320,000**	-
Between 12 months and 5 years	**180,000**	-	**180,000**	-
Greater than 5 years	**-**	-	**-**	-
	500,000	-	**500,000**	-

The consolidated group has further commitments to spend $1,500,000 on behalf of Energie Future NL as part of the acquisition deal. Subsequent to balance date the Company has already met approximately $400,000 of this commitment.

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or assets in existence at balance sheet date.

17. RELATED PARTY DISCLOSURES

DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

(a) Details of Directors and Key Management Personnel

(i) ***Current Directors***
Graham Libbesson – Non-Executive Chairman
Richard Sealy – Managing Director
Sevag Chalabian – Non-Executive Director

(ii) ***Former Directors***
Leslie White – resigned

(iii) ***Company secretary***
John Hartigan – Company Secretary

(iii) Directors' remuneration

Directors' remuneration and other terms of employment are reviewed annually by the Board having regard to performance against goals set at the start of the year, relative comparative information and, where applicable, independent expert advice.

Except as detailed in Notes (a) – (e) to the Remuneration Report in the Director's Report, no director has received or become entitled to receive, during or since the financial period, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in Notes (a) – (e) to the Remuneration Report, prepared in accordance with the Corporations regulations, or the fixed salary of a full time employee of the Company.

(b) Key Management Personnel

Other than the Directors and the Company Secretary, the Company had no key management personnel for the financial period ended 30 June 2009.

(c) Remuneration Options: Granted and vested during the financial period ending 30 June 2009

There were no remuneration options granted, based on performance of key management personnel, during the financial period ending 30 June 2009. The options granted are loyalty options. The relevant share based payment disclosures are contained in note 21 to the financial statements.

(d) Share and Option holdings

All equity dealings with directors have been entered into with terms and conditions no more favourable than those that the entity would have adopted if dealing at arm's length.

Ordinary shares held by Directors and directors related parties

	Balance at beginning of period	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
G. Libbesson[1]	60,000	-	-	282,700	342,700
R. Sealy[2]	40,000	-	-	230,270	270,270
S. Chalabian[3]	576,000	-	-	601,580	1,177,580

[1] 10,000 of Mr Libbesson shares are held personally with the balance being held indirectly by Libbesson Superannuation Fund, of which Mr Libbesson is a member.

[2] Held indirectly by Sealy Superannuation Fund, of which Mr Sealy is a member.

[3] Held indirectly by STC Advisory Pty Limited ATF Chalabian Family Trust of which Mr Sevag Chalabian is a potential beneficiary.

Ordinary partly paid shares held by Directors and directors related parties

	Balance at beginning of period	Received as Remuneration	Options Exercised	Net Change Other	Balance at end of year
G. Libbesson[1]	-	-	-	950,270	950,270
R. Sealy[2]	-	-	-	1,680,270	1,680,270
S. Chalabian[3]	-	-	-	1,777,580	1,177,580

[1] Held indirectly by Libbesson Superannuation Fund, of which Mr Libbesson is a member.

[2] Held indirectly by Sealy Investments Pty Limited, of which Mr Sealy is a shareholder and director.

[3] Held indirectly by Brutus Investments Pty Limited, of which Mr Chalabian is a shareholder and director.

Options Held By Directors and directors related parties

	Balance at beginning of period	Received as Remuneration	Net Change Other	Balance at end of year
G Libbesson[1]	-	-	1,000,000	1,000,000
R Sealy[2]	-	-	1,000,000	1,000,000
S. Chalabian[3]	-	-	1,000,000	1,000,000
	-	-	3,000,000	3,000,000

[1] Held indirectly by Libbesson Superannuation Fund, of which Mr Libbesson is a member.

[2] Held indirectly by Sealy Superannuation Fund, of which Mr Sealy is a member.

[3] Held indirectly by STC Advisory Pty Limited ATF Chalabian Family Trust of which Mr Sevag Chalabian is a potential beneficiary

(e) Related Party Transactions

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Consolidated Group 2009 $	Consolidated Group 2008 $	**Parent Entity 2009 $**	Parent Entity 2008 $
Energie Future Pty Limited[1]	**-**	-	**59,404**	-
Lands Legal Pty Limited[2]	**39,547**	-	**39,547**	-
Sealy Consulting Services Pty Limited[3]	**167,083**	-	**167,083**	-
Unorfadox Pty Limited[4]	**44,391**	-	**44,391**	-
L & E White Investments Pty Limited[5]	**-**	108,893	**-**	108,893
	251,021	108,893	**310,425**	108,893

[1] Energie Future Pty Limited is a subsidiary of East Coast. During the year invoices were issued for reimbursement of expenses paid by East Coast on behalf of Energie Future of $27,707. A further $31,697 was settled by the company. As at 30 June 2009, there was a receivable of $30,000 owing to the company from Energie Future Pty Limited that was fully impaired.

[2] Mr Chalabian is a director of Lands Legal Pty Limited and a director of East Coast. The payments to Lands Legal Pty Limited were for directors fees for Mr Chalabian.

[3] Mr Sealy is a director of Sealy Consulting Services Pty Limited and East Coast. Payments were made to Sealy Consulting Services Pty Limited for consultancy fees outside the role of Managing Director.

[4] Mr Libbesson is a director of Unorfadox Pty Limited and East Coast. Payments were made to Unorfadox Pty Limited for fees for Mr Libbesson.

[5] Mr White is a director of L & E White Investments Pty Limited and former director of East Coast. Payments were made to L & E White Investments Pty Limited for the provision of office services.

(f) Related Party Transactions

The key management personnel compensation is as follows:

	Consolidated Group 2009 $	Consolidated Group 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
Short-term employee benefits	**117,578**	**101,590**	**117,578**	**101,590**
Other long term benefits	**-**	**5,115**	**-**	**5,115**
Options granted	**18,000**	**-**	**18,000**	**-**
Termination benefits	**3,075**	**122,000**	**3,075**	**122,000**
TOTAL	**138,653**	228,705	**138,653**	228,705

18. SEGMENT INFORMATION

(i) The consolidated entity's operations in 2009 are managed in Australia and involve exploration of its mineral properties.

(ii) The Company's subsidiaries commenced exploring for minerals in the 2009 financial year.

19. EARNINGS PER SHARE

	Consolidated Group 2009	Consolidated Group 2008	**Parent Entity 2009**	Parent Entity 2008
Reconciliation of earnings per share	Cents	Cents	Cents	Cents
Basic and diluted earnings per share	**(4.35)**	(3.72)	**(4.25)**	(3.72)
Loss from ordinary activities after income tax being the earnings used in the calculation of the basic earnings per share	**(2,338,713)**	(1,729,040)	**(2,284,528)**	(1,729,040)

	Consolidated Group 2009	Consolidated Group 2008	**Parent Entity 2009**	Parent Entity 2008
Reconciliation of weighted average number of ordinary shares				
Weighted average number of ordinary shares:	**53,800,489**	46,495,118	**53,800,489**	46,495,118
Used in calculating basic earnings per ordinary shares	**53,800,489**	52,336,321	**53,800,489**	52,336,321
Adjustments: Dilutive potential ordinary shares	**-**	-	**-**	-
Used in calculating diluted earnings per share	**53,800,489**	52,336,321	**53,800,489**	52,336,321

The company currently has a number of unlisted options as disclosed in the directors' report. These options could potentially dilute basic earnings per share in the future, but have not been included in the earnings per share calculation above due to being anti-dilutive for the period.

20. AUDITORS REMUNERATION

	Consolidated Group		Parent Entity	
	2009	2008	**2009**	2008
	$	$	**$**	$
Auditor of parent entity				
Audit or review of financial reports	**27,000**	68,878	**27,000**	68,878
Non-audit services	**-**	-	**-**	-
Balance at end of financial period	**27,000**	68,878	**27,000**	68,878

21. SHARE BASED PAYMENTS

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted.

Options Granted to Key Management Personnel and Consultants

A total of 53 million options were granted to directors and consultants during the year at an exercise price of $nil. Upon exercising these options the directors and consultants will be issued with 9c partly paid shares, paid to 1c. In order for these shares to become fully paid ordinary shares, a payment of 8c per share will be required. These options were granted for nil consideration. The options were granted on 31 October 2008, vest when the company share price reaches 20c, and expire on 31 October 2011. The options can be exercised at any time after being vested and before their expiry date of 31 October 2011. The fair value of the shares using a Black and Scholes pricing model is recognised as an expense over the period from grant date to vesting date. The amount recognised as part of employee expenses during the year ended 30 June 2009 was $nil.

Grant date	Expiry date	Exercise price	Value per option at grant date	First exercise date/vest date	Last exercise date
31/10/08	31/10/11	$nil*	$0.006	31/10/08	31/10/11

* Upon exercising these options the directors and consultants will be issued with 9c partly paid shares, paid to 1c. In order for these shares to become fully paid ordinary shares, a payment of 8c per share will be required.

The total options issued are made up of:

- Options issued to key management personnel and their related entities 3,000,000
- Options issued to consultants 50,000,000

The details of the options issued to key management personnel are as per disclosures in the Director's Report.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	Consolidated Group 2009 $	Parent Entity 2009 $
Expenses related to options issued to key management personnel	-	-

Other information

No options have been exercised to 30 June 2009.

22. CASH FLOW INFORMATION

Reconciliation of net cash used in operating activities with profit after income tax

	Consolidated Group		Parent Entity	
	2009 $	2008 $	2009 $	2008 $
Profit/(loss) after income tax	**(2,338,713)**	(1,729,040)	**(2,284,528)**	(1,729,040)
Non-cash flows in profit:				
Depreciation	**540**	-	**540**	-
Net gain on disposal of investments	**493,208**	-	**493,208**	-
Income tax benefit		281,272	**-**	281,272
Share options expensed	**320,000**		**320,000**	--
Goodwill written off	**251,323**	-	**-**	-
Impairment loss	**281,198**	1,475,271	**518,372**	1,475,271
Changes in assets and liabilities during the financial period:				
(Increase)/decrease in trade and other receivables	**(280,364)**	3,338	**(135,167)**	3,338
Increase/(decrease) in trade and other payables	**304,823**	248,971	**178,760**	251,891
Net cash inflow/(outflow) from operating activities	**(967,985)**	279,812	**(908,815)**	279,812

a. Subsidiaries acquired

During the year 56.54% of the controlled entity Energie Future N.L. was acquired. Details of this transaction are:

Purchase consideration	**181,010**	-	**181,010**	-
Consisting of:				
• Cash consideration	**75,010**	-	**75,010**	-
• Shares	**70,000**	-	**70,000**	-
• Legal fees	**36,000**	-	**36,000**	-
Total consideration	**181,010**	-	**181,010**	-
Cash consideration	**75,010**	-	**75,010**	-
Cash outflow	**75,010**	-	**75,010**	-

	Consolidated Group		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
Current assets at acquisition date	23,431	-	23,431	-
Current liabilities at acquisition date	(147,798)		(147,798)	
Goodwill on consolidation	251,323	-	251,323	-
Minority interests in acquisition	54,054	-	54,054	-
	181,010	-	181,010	-

The goodwill is attributable to intellectual property and mining licences held by Energie Future Pty Limited. Information regarding the acquisitions is disclosed in note 8.

During the year 100% of the controlled entity East Coast Metals Pty Limited was acquired. The total purchase consideration consisted of $100 cash.

b. Non-cash Financing and Investing Activities

(i) Share issue

1,000,000 ordinary shares with a fair value of $70,000 were issued as part of the acquisition of 56.54% of Energie Future Pty Limited.

23. SIGNIFICANT AFTER BALANCE DATE EVENTS

Since balance date the following events have occurred:

- On 1 July 2009 the Company issued 5 million ordinary shares at a price of 6 cents each;
- The Company disposed of its investment in former associate Minga Pty Ltd; and
- The Company will enter into a convertible note facility with a major partly paid shareholder. The facility is for $300,000 and attracts interest at the rate of 12% per annum and is convertible into ordinary shares. The Company has received a memorandum of understanding from the lender and will draw down the facility when legal documentation has been completed.

There are no other matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

DIRECTORS DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 33 to 60, are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards and the Corporations Regulations 2001; and

    b. give a true and fair view of the financial position as at 30 June 2009 and of the performance for the period ended on that date of the company and consolidated group; and

2. the Chairman and Company Secretary have each declared that:

    a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

    b. the financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the financial statements and notes for the financial year give a true and fair view.

3. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Richard Sealy
Managing Director

Sydney, 30 September 2009

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

EAST COAST MINERALS NL

Report on the Financial Report

We have audited the accompanying financial report of East Coast Minerals N.L. ("the company"), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report 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 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 opinions.

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Major Offices in:
Perth, Sydney, Melbourne, Adelaide and Canberra
ABN 36 965 185 036

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Quality System
Quality Endorsed Company
ISO 9001 Lic 5600 SAI Global

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of East Coast Minerals N.L. on 29th September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of East Coast Minerals N.L. is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their 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; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 29 of the directors' report for the financial year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of East Coast Minerals N L for the financial year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

Sydney, NSW
Dated: 30 September 2009

C J Hume
Partner

The following additional information is required by the Australian Stock Exchange pursuant to Listing Rule 4.10.

a. Distribution of Shareholders

Number held	Fully paid shares	Number of shares	% of number of shares	Partly paid shares	Number of shares	% of number of shares
1 – 1,000	647	547,538	1.00	90	74,700	0.16
1,001 - 5,000	418	1,174,955	2.16	94	273,538	0.59
5,001 - 10,000	124	1,052,877	1.93	30	254,250	0.55
10,001 - 100,000	191	7,066,258	12.98	65	2,640,888	5.68
100,001+	58	44,617,706	81.93	30	43,251,742	93.02
Total	**1,438**	**54,459,334**	**100.00%**	**309**	**46,495,118**	**100.00**

b. The number of shareholders who hold less than a marketable parcel of 5,264 securities is 1,067 and they hold 1,732,793 securities.

c. Twenty largest holders of each class of quoted equity security

Ordinary Shares

	Name	No of Ordinary Shares	%
1.	Esperance Minerals N.L.	10,123,210	18.59
2.	Gunsydnd Investments Pte Ltd	6,616,667	12.15
3.	Pharlap Holdings Pte Limited	5,449,999	10.01
4.	HSBC Custody Nominees (Australia) Limited	2,120,600	3.89
5.	Kafta Enterprises Pty Limited	1,247,207	2.29
6.	Tabouli Holdings Pty Limited	1,247,207	2.29
7.	Brutus Investments Pty Ltd	1,177,580	2.16
8.	J P Morgan Nominees Australia Limited	1,153,968	2.12
9.	Mr Edward Clinton Mead	1,000,000	1.84
10.	Ms Lisa Weyell and Mr Clay Bingham	1,000,000	1.84
11.	Citicorp Nominees Pty Limited	869,417	1.60
12.	Vanstra Pty Limited	750,000	1.38
13.	Battle Mountain Pty Limited	655,600	1.20
14.	Merrill Lynch (Australia) Nominees Pty Limited	562,500	1.03
15.	Mr Ianaki Semerdziev	500,000	0.92
16.	Kasinas Pty Ltd	494,331	0.91
17.	Fantasy Knit (Int) Pty Ltd	450,000	0.83
18.	Mr Arthur Carbo	417,988	0.77
19.	Proridge Pty Limited	416,667	0.77
20.	Warr Holdings Pty Limited	416,667	0.77
		36,669,608	**67.33**

Options to acquire partly paid shares (unlisted)

	Name	No of Options	%
1.	Gravner Limited	50,000,000	94.33
2.	Richard Sealy	1,000,000	1.89
4	Graham Libbesson	1,000,000	1.89
3.	Sevag Chalabian	1,000,000	1.89
		53,000,000	**100.00**

Ordinary shares partly paid to 2c (unlisted)

	Name	No of Shares	%
1.	Exchange Minerals Limited	17,250,000	37.10
2.	Gunsynd Investments Pte Limited	6,009,559	12.93
3.	Pharlap Holdings Pte Limited	5,181,799	11.14
4.	Kafta Enterprises Pty Limited	2,795,308	6.01
5.	Falafel Investments Pty Limited	2,250,000	4.84
6.	Sealy Investments Pty Limited	1,640,270	3.53
7.	Brutus Investments Pty Ltd	1,177,580	2.53
8.	Unorfadox Pty Limited	940,270	2.02
9.	Mr Colin Earl Bennett	875,000	1.88
10.	Ronay Investments Pty Ltd	804,515	1.73
11.	HHH Group Pty Ltd	750,000	1.61
12.	Battle Mountain Pty Ltd	655,600	1.41
13.	Fantasy Knit (Int) Pty Ltd	450,000	0.97
14.	Tabouli Holdings Pty Ltd	447,207	0.96
15.	Proridge Pty Limited	416,667	0.90
16.	Warr Holdings Pty Limited	416,667	0.90
17.	Mr Garry Edward Hoar	260,000	0.56
18.	Doraleda Pty Ltd	200,000	0.43
19.	Jemaya Pty Ltd	200,000	0.43
20.	Masoncastle Pty Ltd	150,000	0.32
		42,870,442	**92.20**

1. Company Secretary

The name of the company secretary is Mr John Hartigan.

2. Address and telephone details of entity's registered and administrative office

The address and telephone details of the registered and administrative office in Australia are:
Level 10, 1 Margaret St
Sydney, New South Wales 2000
Telephone: +(612) 9299 8873
Facsimile: +(612) 9262 2885

3. Address and telephone details of the office at which the register of securities is kept

The address and telephone of the office at which a register of securities is kept:
Link Market Services
Level 12, 680 George Street
SYDNEY NSW 2000

4. Stock exchange on which the Company's securities are quoted

The Company's listed equity securities are quoted on the Australian Stock Exchange

5. Review of Operations

A review of operations is contained in the Review of Operations report.

6. On market buy-back

There is currently no on-market buy-back.

7. Annual General Meeting

Subject to appropriate regulatory clearances it is expected that the annual general meeting will be held on 18 November 2009 at the registered office of the Company. Full details will be set out in the notice of meeting.