east coast minerals

ANNUAL REPORT 2011

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CORPORATE DIRECTORY

Directors
Nigel Little (Non-Executive Chairman)
Edward Mead (Executive Director)
Anthony Roberts (Executive Director)
Sevag Chalabian (Non-Executive Director)

Company Secretary
Lynton McCreery

Principal and Registered Office
Ground Floor, 3 Richardson Street
West Perth WA 6005

Ph: (08) 6389 5775
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Perth WA 6000

Ph: (08) 9323 2000
Fax: (08) 9323 2033
www.computershare.com

Auditors
RSM Bird Cameron Partners

Bankers
Westpac Banking Corporation

Solicitors
DLA Piper Australia

WEBSITE
www.eastcoastminerals.com

STOCK EXCHANGE

Australian Stock Exchange
Code: ECM

Open Market of the Frankfurter Wertpapierbörse (Frankfurt Stock Exchange).
Symbol: 9EC
ISIN: AU000000ECM6
WKN: 863804
EAST COAST MIN. (Full name is abbreviated in the search machine)
Market maker is Equinet AG: www.equinet-ag.com

CHAIRMAN'S LETTER TO SHAREHOLDERS

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Dear shareholders,

It is my great pleasure to write this years Chairmans letter to shareholders. This is my first year as the Chairman of East Coast. I would like to thank Graham Libbesson who retired as Chairman during the year for his contribution to the company during his tenure. I would also like to thank John Hartigan who retired as Company Secretary. These changes meant that we welcomed myself as Chairman, Tony Roberts as an Executive Director and Lynton McCreery as Company Secretary. We also moved our head office from Sydney to Perth in Western Australia where Ed Mead our other Executive Director resides and our 3 projects Elizabeth Hill, Gossan Dam and Kurabuka Creek are located.

East Coast has had a busy year in search of a flagship project for the company and there have been a significant number of projects of varying stages and commodiites come across our desks. Several projects have warranted further investigation in to their suitability for us to pursue and West Coast Potash in Western Australia was pursued until eventually the board decided that this was not in the best interests of shareholders.

The Company has now reached a significant point as a listed company where in the near future shareholders will be asked to approve the acquisition of an 80% interest in the Austrian Lithium Project from Exchange Minerals. It is intended that the Acquisition will be East Coast Minerals flagship project.

The merits of the proposed Austrian Lithium Project have been detailed in the Operations Report. However, the highlight of this investment is no doubt its advanced stage with a current resource base of approximately 18 million tonnes with an overall grade of 1.6%. The fact that there is such a level of resource already quantified, reflects the previous substantial level of work undertaken by the Austrian Government in the 1980's with some €8 million estimated to have been spent on it.

The close proximity of the Austrian Lithium Project to the European car industry and the value of the lithium commodity as well as the multi purpose applications should also result in successful commercialisation.

The Directors believe the Company, with its management team, is well positioned to realise the potential in the investment in the Austrian Lithium Project and to take advantage of new opportunities as they arise. We are confident of a bright future for the company as it moves to a new phase in its history.

Yours sincerely,

Nigel Little
Chairman

Perth, 28th September 2011

Highlights of the year

- **East Coast appoints Mr. Nigel Little to the board as Non Executive Chairman,**
- **East Coast appoints Mr Tony (Anthony) Roberts as Executive Director,**
- **East Coast agrees to enter into a conditional agreement to acquire an 80% interest in an advanced lithium project in Carinthia, Austria. Consideration of €9.95M (approx. AUD$13.6M) in shares and staged cash payments,**
- **Project has an inferred JORC Resource of 18 million tonnes at 1.6% Li_2O with significant exploration upside,**
- **Vienna based lithium specialist, Dr Richard Göd, who has extensive understanding of the project appointed as a key advisor/ consultant to the Company,**
- **$2.61 million was raised for working capital and to fund due diligence;**
- **East Coast is now listed on the Open Market of the Frankfurter Wertpapierbörse (Frankfurt Stock Exchange).**
- **Signing ceremony for Austrian Lithium Project was held in Austria on the 31st May 2011 with key dignitaries being present;**
- **The company has moved Head Office to Perth, Western Australia and also moved the share registry to Computershare.**

OPERATIONS REPORT

Austrian Lithium Project (East coast to own 80%, Exchange Minerals 20%)

The Austrian Lithium Project is located in Carinthia, 270 km south of Vienna. The Project is located 20 km east of Wolfsberg, an industrial town, with excellent infrastructure, which includes rail. The main industry in the area is forestry and a pulp and paper mill is in operation in Wolfsberg.

The Project is considered to be of potential strategic importance to European manufacturers for Lithium, Silica, Feldspar and Mica. In the view of the Company this has the potential to deliver substantial shareholder wealth in both the short and medium term.

The Project is pegmatite hosted and has an inferred JORC resource of **18 million tonnes grading 1.6% Lithium Oxide** ("Li_2O") with a further initial exploration target of **8 to 12 million tonnes with a grade of 1.5% to 2% Lithium Oxide** ("Li_2O")*.

**The potential quantity and grade of this exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource on the property and it is uncertain if further exploration will result in discovery of further Mineral Resources on the property.*

There are two types of Pegmatite ores within the Project, with veins up to 5.5m:

- Amphibolite Hosted Pegmatite ("AHP") with grades up to 3.15% Li_2O; and
- Mica Hosted Pegmatite ("MHP") with grades up to 1.95% Li_2O.

Preliminary work indicates that there is significant scope to increase the resource classification and the size of the resource by drilling. It is anticipated that drilling will be undertaken targeting the down dip extension of the Pegmatite ore body and also along strike extensions to achieve the resource upgrade.

Historical exploration work between 1981 and 1988 included 101 diamond drill holes for 16,727 metres and 1,607 assays.

In 1985 the portal (adit) was cut and trial mining continued to 1988. In this time 1,389 metres of decline, drives and crosscuts which are 4 metres by 4 metres were developed, which access the ore body (Photo 1). Two trial stopes were also mined looking at long hole retreat and cut and fill toping methods. Rock mechanic studies and mining efficiency studies were also completed.

ECM Lithium Group intends to exploit the Project with the view to applying Australian underground bulk mining techniques.

Photo 1: Ore Drive of 4 metre by 4 metre dimension

Metallurgical and Processing studies on the pegmatite ore started at Carolina State University in 1982. The work continued through to 1987 and was focused on the optimisation of the flotation process. In 1988 a pilot plant test was set up at Carolina State University to produce Mica, Feldspar, Quartz and Spodumene (lithium mineral) saleable products. From this work at an estimated mining and processing rate of 150,000 tonnes per annum (TPA) 25,000 TPA Spodumene Concentrate (6% Li20), 49,500 TPA Feldspar, 24,500 TPA Quartz (Silica Sand) and 3,375 TPA Mica could be produced. Therefore 74% of all mined ore produced a saleable product and 26% of the material was waste. In 1988 Austroplan completed laboratory scale tests of producing Lithium Carbonate from the Spodumene Concentrate. This work returned recoveries of 93%.

In addition to the attractive project metrics, Dr Richard Göd, a Vienna based lithium specialist who has an intimate knowledge of the Austrian Lithium Project has been retained as a key advisor/ consultant to the Company. Dr Göd will provide geological expertise to advance the Project towards production and to also direct exploration efforts. Dr Göd has an intimate knowledge of the Austrian Lithium Project as he worked on the Project from discovery in 1981 through to 1988 and has published several geological papers and articles on the deposit.

Key Project Features

- Close to road, rail and cities at Wolfsberg and Deutschlandsberg
- Significant land holding of granted exploration and mining licenses
- Inferred JORC resource of 18 million tonnes at 1.6% Lithium Oxide ("Li_2O") with substantial exploration upside with ore body remaining open at depth and along strike
- Mining was undertaken and Permitting was in place in the late 1980's for the trial mining, stage and has been kept on care and maintenance, therefore the mine is most likely acceptable to 2011 standards
- Strategic location for mining and supply to European markets
- Lithium price forecast to remain strong
- Global Lithium demand is increasing
- No local producers

Development Stategy

- Complete mineral processing studies using 2011 technology to get product specifications and samples for Spodumene, Quartz, Feldspar and Mica.
- Start negotiations for off-take agreements.
- Undertake limited drilling to convert inferred resources into the indicated and measured categories.
- Complete a Definitive Feasibility Study into operation of 0.5-1 million tonne per annum (Mtpa) mining operation. The size of an operation is dependant on the size of off-take agreements for saleable products.
- Target the new zones of identified boulders of spodumene (Lithium) from either trenching or drilling.

Potash Holdings

During the year the board pursued an opportunity to acquire a Potash Project in the South Carnarvon Basin in Western Australia. East Coast entered into an initial agreement to purchase up to 70% of Potash Holdings, which owned shares in West Coast Potash Pty Ltd (WCP), with Exchange Minerals Ltd (EML) being the long-term future joint venture partner. The board, due to a number of factors decided not to pursue this opportunity with EML and withdrew from the project.

Elizabeth Hill (East Coast 100%)

The Elizabeth Hill project is a long standing project of East Coast and is located near Karratha, Western Australian. (Figure 1)

A re-estimation of the remaining historical shallow silver resource and a review of the metallurgy for mineral processing is being undertaken. A scoping study in to the economics and viability to mine will then be completed. Recent increases in the silver price to round US$40 ounce may have changed the economics for a small open pit mining operation. The price of silver was around US$5 ounce when the underground mining operation at Elizabeth Hill was undertaken.

Results of this work will be announced when they come to hand.

Previous Mining and History

Silver was mined by East Coast and Legend Mining from the Elizabeth Hill underground mine between 1998 and 2000. 16,800 tonnes of ore grading 2,100 g/t silver (70 oz/t) was mined to produce 1,170,000 ounces of silver.

Exploratory efforts were focused to the south of Elizabeth Hill until December 2002 in an effort to delineate a repeat of the Elizabeth Hill silver deposit, but drilling failed to locate any further mineralisation.

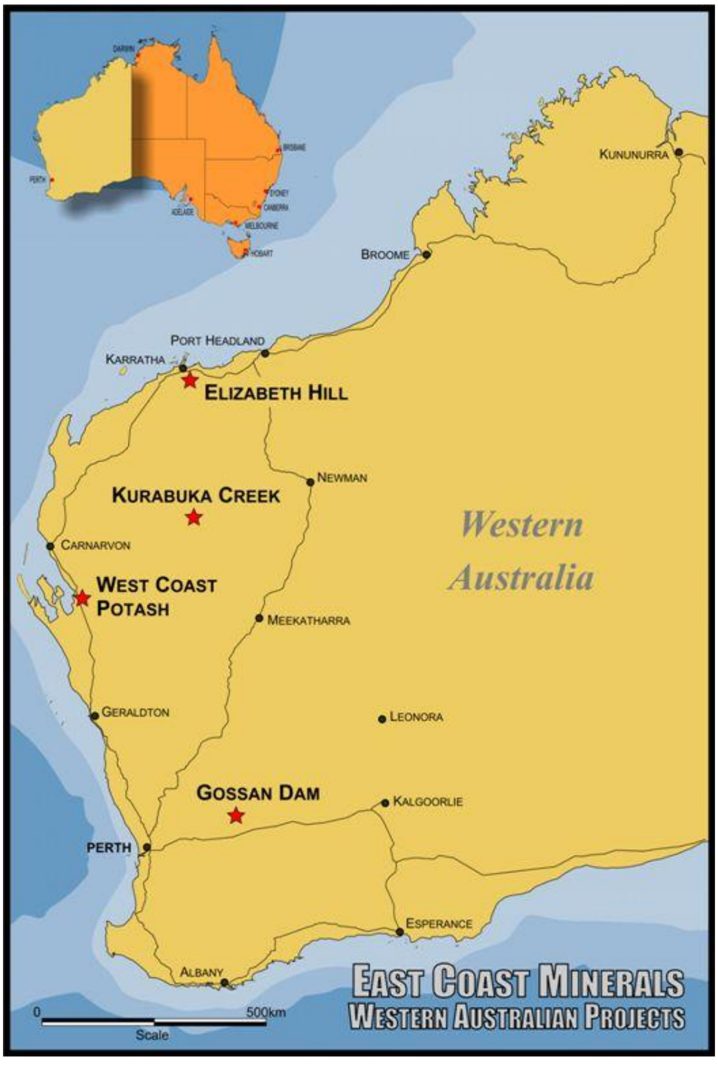


Figure 1: East Coast Minerals Western Australian project locations.

Gossan Dam (EL 70/3545, East Coast 80%)

The Exploration License over the Gossan Dam (Figure 1) base metal and silver prospect is 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 from previous companies.

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 drilling undertaken was 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 the previous work has concluded that potential exists for extensions to the known high grade silver mineralisation. However, the complex geophysical magnetic anomalies remain untested and no drilling has ever tested the potential for a north dipping mineralised system.

East Coast completed a desktop study during the year, which suggests that the known mineralisation is part of a larger regional concentric structure. Further ground investigation is required to determine if there are further outcrops of gossanous material, similar to that at the known Gossan Dam area. Arrangements will be required with the local pastoralists prior to field work.

Kurabuka Creek (ELA 09/1701, East Coast 80%)

An exploration application was granted for Kurabuka Creek (Figure 1) in the Gascoyne mineral field. The area is prospective for base metals and silver. No work was undertaken on the project during the year. It is intended that initial groundwork investigation will be undertaken in the upcoming year.

CORPORATE MATTERS

Appointment of new Chairman

Since 2008, there has been a major re-configuration of the board and management of East Coast. Today the company has a good mix of people and skills, all with significant resource sector experience.

Mr Nigel Little was appointed as Non Executive Chairman on 18 March 2011 and relpaced Mr Graham Libbson who retired. The board would like to thank Graham for his contribution.

Mr Little has over 34 years experience in the finance, capital markets and resources sectors and is currently a non-executive Chairman of Niche Group (a publicly quoted oil and gas company with interests in onshore Turkey), senior advisor to Kleinwort Benson bank and an Advisory Board member of Westbury private clients.

Mr Little has worked in senior executive positions in HSBC James Capel, Morgan Stanley International, Nomura International, NationsBank Panmure and recently at Canaccord Capital Corporation, the specialist Resources investment bank focusing on metals, mining, oil and gas.

He was also President of Canaccord Europe and Vice-Chairman of Canaccord Capital Corporation and was highly involved in numerous corporate transactions and financings in the Resources sector in UK, Europe, Asia and North America.

Mr Little is an honours sciences graduate from University of London, a Member of the Worshipful Company of International Bankers, a Fellow of The Securities Institute, a Fellow of The Chartered Institute for Securities and Investment and a Freeman of The City of London.

Appointment of Executive Director

Mr Roberts is a mining engineer with over 40 years experience in the mining industry and was appointed as an Executive Director on 8 December 2010.

Tony has substantial experience in the area of operations and mine management.

Frankfurt Stock Exchange

On the 14 June East Coast successfully completed a listing on the Open Market of the Frankfurter Wertpapierbörse (Frankfurt Stock Exchange). The listing coincides with the proposed acquisition of the Austria Lithium Project, which is considered to be a "company transforming" acquisition. In view of the proximity of the Austrian Lithium Project to central Europe and European Industry, the East Coast board considers that listing on the Open Market of the Frankfurt Stock Exchange may assist attracting new potential investors in both Austria and Germany.

The website for the Frankfurt Stock Exchange is www.boerse-Frankfurt.de and all information about the Company can be found here. Below is the relevant data:

Symbol: 9EC

ISIN: AU000000ECM6

WKN: 863804

EAST COAST MIN. (Full name is abbreviated in the search machine)

Market maker is Equinet AG: www.equinet-ag.com

East Coast also intends on converting its website to dual language (German and English) in order to assist potential investors in Austria and Germany. The company would like to have this in operation by mid August 2011.

Change of Registered and Principle Office

The Registered and Principal office for the company and its subsidiaries changed from Sydney to Perth on the 1st April 2011:

Street Address; Ground Floor, 3 Richardson Street, West Perth WA 6005.

Postal address; PO Box 1728 West Perth WA 6872.

Phone: (08) 6389 5775

Fax: (08) 9486 1258

Change of Share Registry

On 5 June 2011, responsibility for the company's share registry services was transfered to:

Computershare Investor Services Pty Limited; Level 2, 45 St Georges Terrace, Perth WA 6000, Australia.

Postal Address:	GPO Box D182; Perth WA 6840, Australia
Phone:	1300 557 010 (within Australia)
	+61 3 9415 4000 (outside Australia)
Fax:	+61 8 9323 2033
Email:	web.queries@computershare.com.au
Web:	www.computershare.com

Company Secretary

On 23 July 2010 Mr. John Hartigan resigned as Secretary of the Company. The Board expresses its appreciation of Mr. Hartigan's efforts during the period that he was Company Secretary.

In the interim period Mr Graham Libbesson, the Company Chairman, assumed the role.

On 11 January Mr. Lynton McCreery was appointed as Secretary of the Company. Mr. Lynton McCreery has been a Director and Secretary to a number of listed public companies during the past 30 years. He is also Company Secretary of listed companies Astro resources NL and Jaguar Minerals Ltd.

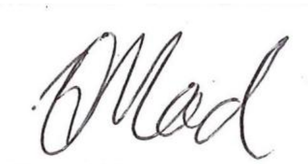
Capital Raising

$2.61 million was raised by the company in February 2011 to assist with working capital associated with the Austrian Lithium Project.

Previously in October 2010, $608,000 was raised to assist the company in searching for a flagship Project.

Tenement Schedule

Tenement Type & No.	Applicant / Holder	PROJECT
E70/3545	East Coast Metals Pty Limited	Gossan Dam
ELA09/1701	East Coast Metals Pty Limited	Kurabuka Creek
M47/340	East Coast Minerals N.L.	Elizabeth Hill
M47/341	East Coast Minerals N.L.	Elizabeth Hill
M47/342	East Coast Minerals N.L.	Elizabeth Hill
M47/343	East Coast Minerals N.L.	Elizabeth Hill
E47/587	East Coast Minerals N.L.	Elizabeth Hill
M47/414	East Coast Minerals N.L.	Elizabeth Hill
M47/415	East Coast Minerals N.L..	Elizabeth Hill



Edward Mead
Executive Director

Perth, 28th September 2011

Competent Persons Statement
The information in this report that relates to exploration results is based on information compiled by Ed Mead who is a member of the Australian Institute of Mining and Metallurgy and is an employee and Director of East Coast Minerals. Mr Mead has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the '*Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*'. Ed Mead consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Corporate Governance Statement

The East Coast Minerals N.L. 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.*

Nigel Little, the non executive chairman, is independent.

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

Edward Mead and Tony Roberts are joint Chief Executive officers of the company.

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 2011 Directors Report.

Nigel Little and Sevag Chalabian are considered to be independent because they do not have 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 Nigel Little, Sevag Chalabian and Edward Mead. 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 diversity and disclose the policy or summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them*

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

East Coast's is currently reviewing the implementation of this policy and a disclose of this will be made on the company's website.

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 Nigel Little and Sevag Chalabian, both of whom are independent non executive directors. Mr Nigel Little is the Chairman of the committee. 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, determines 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 Chief Executive Officer.

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 Executive 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 Nigel Little (Non ExecutiveChairman) and Ed Mead (Executive Director) are members of that Committee.

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 N.L. (**East Coast** or the **Company**) for the period 1 July 2010 to 30 June 2011.

Current Directors

NIGEL LITTLE

Non-Executive Chairman

Mr Little has over 34 years experience in the finance, capital markets and resources sectors.He is currently a non-executive Chairman of Niche Group (a publicly quoted oil and gas company with interests in onshore Turkey), senior advisor to Kleinwort Benson bank and an Advisory Board member of Westbury private clients.

Mr Little was a director of Cornhill Capital, Cornhill Asset Management, Cornhill FX. He has worked in senior executive positions in HSBC James Capel, Morgan Stanley International, Nomura International, NationsBank Panmure and recently at Canaccord Capital Corporation, the specialist Resources investment bank focusing on metals, mining, oil and gas. He was also President of Canaccord Europe and Vice-Chairman of Canaccord Capital Corporation and was highly involved in numerous corporate transactions and financings in the Resources sector in UK, Europe, Asia and North America.

Mr Little is an honours sciences graduate from University of London, a Member of the Worshipful Company of International Bankers, a Fellow of The Securities Institute, a Fellow of The Chartered Institute for Securities and Investment and a Freeman of The City of London.

Mr Little was appointed a Chairman on 18 March 2011.

EDWARD MEAD

BSc Geology, MAUSIMM

Executive Director

Mr Mead is a qualified geologist and a member of the Australian Institute of Mining and Metallurgy and has previously acted as an independent consultant to the Company. Mr Mead has substantial experience in the area of mining, exploration and project development. He has worked in Mozambique, Cameroon, Democratic Republic of Congo, South Africa and Australia in a variety of commodities and projects at different stages, which is considered to bring a wealth of experience to the Company to assist it with its ongoing exploration operations and in assisting with the evaluation of new opportunities.

Mr Mead has over the last 16 years worked for the Geological Survey of Western Australia, Portman Mining, Western Mining Corporation, Sons of Gwalia and worked as a consultant to a number of other private companies. Mr Mead has also worked in oil and gas with Baker Hughes Inteq. Mr Mead was also the Geology Manager for Fox Resources Limited and the technical Director for Comdek Ltd (now Resource Generation Ltd).

Mr Mead was appointed an Executive Director on 30 October 2009.

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.

In the past three years Mr Chalabian was Chairman of Apollo Minerals Limited and Non-Executive Director of Bisan Limited.

Mr Chalabian was appointed a director on 24 June 2008.

ANTHONY ROBERTS

Mr Roberts is a mining engineer with over 40 years experience in the mining industry. He has substantial experience in the area of operations and mine management.

Mr Roberts was appointed an Executive Director on 8 December 2010.

Former Directors

GRAHAM LIBBESSON

Mr Libbesson retired as chairman of East Coast on 18 March 2011.

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

Company Secretary

LYNTON MCCREERY

Mr. Lynton McCreery has been Director, Secretary and CFO to a number of ASX listed public companies during the past 30 years.He is also Company Secretary of listed companies Astro Resources NL and Jaguar Minerals Ltd.

Mr McCreery was appointed Company Secrtary on 11 January 2011

GRAHAM LIBBESSON

Mr Libbesson was appointed as company secretary on 23 July 2010 and resigned on 11 January 2011.

JOHN HARTIGAN

Mr Hartigan resigned as company secretary on 23 July 2010.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

- Agreement with minority shareholders of Energie Future N.L. (EFNL) and sale of shares; on 20 August 2010 East Coast entered into a confidential deed of agreement with the minority shareholders of EFNL. The effect of this deed is that there are no further claims by either the minority shareholders or East Coast for any matters arising from past dealings pursuant to a Shareholders Agreement dated 25 June 2009. As part of the terms of settlement, East Coast subscribed for 1 preference share at a face value of US$100,000 (AUD$113,611) and subsequently sold all of its preference shares of 975,001 and its 51,000,000 ordinary shares for $1 to the minority shareholders. As a result, a loss of AUD$230,741 arising from the disposal of EFNL and a further loss to the consolidated group of AUD$110,315 recognised during the year on de-consolidation of the EFNL subsidiaries. A positive consequence of ending our involvement in Energie Future is that East Coast is able to pursue potential projects and/or joint venture arrangements with the proposed technology providers to Energie Future - InSitu Energy LLC and/or its partner Raven Ridge. Pursuant to a confidential deed of settlement, East Coast can have no involvement with either the Rawlins or Sydney Basin projects. The board of East Coast considers that InSitu Energy and/or Raven Ridge could be attractive joint partners in projects around the world, not only in coal and underground coal gasification, but also, a broad range of other exploration and mining opportunities.
- Termination of corporate advisory agreement; during the year, East Coast has terminated its agreement with Gravner Limited, resulting in a cancellation of 50 million share options and all future payment obligations. 10 million ordinary shares were granted as consideration for the termination.;

- During the year the board pursued an opportunity to acquire a Potash Project in the South Carnarvon Basin in Western Australia. East Coast entered into an initial agreement to purchase up to 70% of Potash Holdings, which owned shares in West Coast Potash Pty Ltd (WCP), with Exchange Minerals Ltd (EML) being the long-term future joint venture partner. The board, due to a number of factors decided not to pursue this opportunity with EML and withdrew from the project.

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:

East Coast Minerals has entered into a conditional agreement through its major shareholder Exchange Minerals Ltd (EML) to acquire an 80% shareholding in the proposed owner of the Austrian Lithium Project, the ECM Lithium Group.

ECM Lithium Group subsidiary, ECM Lithium AT GmbH ("**ECM Lithium**"), has subsequently entered into a conditional contract with third party vendor Kärntner Montanindustrie GmbH ("**KMI**"), for the acquisition of mining and exploration licenses in the mining area known as the Austrian Lithium Project. A major condition of that agreement has now been met with the payment of an initial installment of €3.7 million by Exchange Minerals. The above payment is in addition to the €550,000 already paid for the exclusivity period by EML.

As part of the conditions for the transfer of the licenses by the mining department "**Montanbehörde**", ECM Lithium was required to evidence €1.2 million of cash in it's bank account. These funds support the work program that was submitted as part of the transfer process and will be used as working capital by ECM lithium for the Austrian Lithium Project. The €1.2 million was advanced by the Exchange Minerals Group to ECM Lithium. The key terms of this loan include:

- interest of 12% per annum;
- term of the loan - 1 year and repayable earlier by East Coast; and
- security - a charge on ECM Lithium's shares in ECM Lithium (Investments) Limited

As a consequence of the above, variations to the contracts previously executed between East Coast and the Exchange Minerals Group have been made.

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 the Western Australian tenements.

OPERATING RESULTS

The loss of the consolidated entity attributable to equity holders of the parent company after providing for income tax amounted to $ 2,913,680 (2010: $3,051,929) after eliminating non-controlling equity interests.

The loss for the year was extremely disappointing. However, the loss was impacted by a number of "one off" or "non-recurring" items. Below is a table summarising the impact of such losses:

	2011 **$**	2010 $	2009 $
Comprehensive loss for the period	**2,913,680**	3,366,184	3,025,629
Add back:			
Operating loss from Energie Future N.L attributable to non-controlling interests	**-**	314,255	30,613
Operating loss from Energie Future N.L. attributable to parent	**-**	408,834	38,402
Legal fees associated with Energie Future N.L.	**-**	188,016	-
Corporate Finance Fees – Gravner Limited	**-**	488,508	320,000
Loss on disposal of subsidiary	(341,056)	-	-
Impairment of investments:			
Elizabeth Hill tenements	**-**	446,591	281,198
Energie Future N.L.	**-**	107,253	251,323
Other		-	656,303
Total one-off adjustments	(341,056)	1,953,457	1,577,839
Loss after normalisation adjustment	**2,572,624**	1,412,727	1,447,790

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

REMUNERATION REPORT (AUDITED)

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

Other than the directors and company secretary, the Company had no Key Management Personnel for the financial period ended 30 June 2011.

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) – (d) 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) – (d) to the Remuneration Report, prepared in accordance with the Corporations regulations, or the fixed salary of a full time employee of the Company.

(a) Remuneration of Directors and Key Management Personnel

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.

Group Key Management Personnel		Short-term benefits			Post-employment benefits	Equity-settled share-based payments		
		Salary, fees and leave	Profit share and bonuses	Other	Pension and super	Shares	Options	**Total**
N. Little	2011	-	-	-	-	-	-	-
	2010	-	-	-	-	-	-	-
E. Mead	2011	41,284	-	-	3,716	-	65,000	110,000
	2010	30,000	-	-	-	56,600	63,500	150,100
S. Chalabian	2011	38,423	-	-	1927	-	26,000	66,350
	2010	41,424	-	-	-	18,867	83,500	143,791
A. Roberts	2011	20,617	-	-	1856	-	-	22,473
	2010	-	-	-	-	-	-	-
L. McCreery	2011	34,781	-	-	-	-	-	34,781
	2010	-	-	-	-	-	-	-
G. Libbesson	2011	131,570	-	-	3,095	-	65,000	199,665
	2010	72,211	-	-	-	56,600	100,200	229,011
J. Hartigan	2011	-	-	-	-	-	-	-
	2010	-	-	-	-	-	25,050	25,050
R.Sealy	2011	-	-	-	-	-	-	-
	2010	13,333	-	-	1,200	-	-	14,533
Total KMP	**2011**	**266,675**	**-**	**-**	**10,594**	**-**	**156,000**	**433,269**
	2010	**156,968**	**-**	**-**	**1,200**	**132,067**	**272,250**	**562,485**

Mr Hartigan resigned in July 2010 and did not directly receive remuneration for his role as Company Secretary. Mr Hartigan receives consulting fees on a time basis as disclosed in Note 19 "Related Party Transactions".

Mr Little fees have been paid to Feon Investments Ltd (of which Mr Little is a Director and Shareholder), however, these are consulting fees billed on a time basis and are disclosed fully in Note 19 "Related Party Transactions".

In addition to Mr Mead's remuneration for their roles as director, fees have been paid to Doraleda Pty Ltd (of which Mr Mead is a Director and Shareholder), however, these are consulting fees billed on a time basis and are disclosed fully in Note 19 "Related Party Transactions".

In addition to Mr Roberts remuneration for their roles as director, fees have been paid to ViaMex Pty Ltd (of which Mr Roberts is a Director and Shareholder), however, these are consulting fees billed on a time basis and are disclosed fully in Note 19 "Related Party Transactions".

Mr McCreery fees have been paid to Rymad Consultants Pty Ltd (of which Mr McCreery is a Director and shareholder), however these are consulting fees billed on a time basis.

(b) Key Management Personnel

Other than the Directors, the Company had no Key Management Personnel for the financial period ended 30 June 2011.

(c) 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 the future at a certain fixed price.

Options Granted to Key Management Personnel

The following options were granted to key management personnel during the year. These options are not exercisable unless the East Coast share price reaches a point equal to or greater than 6c:

Grant date	Expiry date	Exercise price	Value per option at grant date	Number Issued
29 Nov 2010	8 Dec 2013	$0.04	$0.013	12,000,000

Fair values at issue date are determined using Barrier Condition 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. Further details on the share options issued to key management personnel is included in the Director's report.

The model inputs for options granted during the year ended 30 June 2011 included:

- Exercise price of $0.04 on or before expiry date
- Expected price volatility 80%, based on historical data
- Risk-free interest rate of 4.85%
- Dividends – none.

Shares Granted to Key Management Personnel

No shares were granted to key management personel during the year:

(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.

Shares held by Directors and Officers

Ordinary shares held by Directors, Officers and their associated entities

	Balance at 1 July 2010	Received as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2011
N. Little	-	-	-	1,000,000	1,000,000
E. Mead [1]	2,800,000	-	-	-	2,800,000
S. Chalabian [2]	2,771,826	-	-	-	2,771,826
A. Roberts	-	-	-	-	-
L. McCreery[3]	-	-	-	1,981,201	1,981,201
G Libbesson [4]	2,442,700	-	-	(2,442,700)	-
J. Hartigan[5]	-	-	-	-	-

Ordinary partly paid shares held by Directors, Officers and their associated entities

	Balance at 1 July 2010	Received as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2011
N. Little	-	-	-	-	-
E. Mead [1]	200,000	-	-	-	200,000
S. Chalabian [2]	-	-	-	-	-
A. Roberts	-	-	-	-	-
L. McCreery[3]	-	-	-	5,000	5,000
G Libbesson [4]	350,270	-	-	(350,270)	-
J. Hartigan[5]	-	-	-	-	-

Options Held By Directors, Officers and their associated entities

	Balance at 1 July 2010	Received as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2011
N. Little	-	-	-	500,000	500,000
E. Mead [1]	5,000,000	5,000,000	-	-	10,000,000
S. Chalabian [2]	3,500,000	2,000,000	-	-	5,500,000
A. Roberts	-	-	-	-	-
L. McCreery[3]	-	-	-	1,126,196	1,126,196
G Libbesson [4]	4,000,000	5,000,000	-	(9,000,000)	-
J. Hartigan[5]	750,000	-	-	(750,000)	-

The share options and shares issued to directors and key management personnel are not issued based on performance criteria, but are issued to the directors of East Coast to increase goal congruence between directors and shareholders.

1 Includes shares held indirectly by Doraleda Pty Ltd, of which Mr Mead is a shareholder and director.

2 Includes shares held indirectly by Brutus Investments Pty Limited and STC Advisory Pty Ltd, of which Mr Chalabian is a shareholder and director.

3 Includes shares and options held indirectly by Muteroo Pastoral Co Pty Ltd ATF Corella trust, of which Mr McCreery is a Director/company secretary and shareholder.

4 Includes shares held indirectly by Unorfadox Pty Limited ATF Libbesson Superannuation Fund, of which Mr Libbesson is a member and Bunyala Investments Pty Limited ATF Saiala Investments Trust of which his family are potential beneficiaries. Mr Libbeson resigned as Chairman on 17 March 2011.

5 Mr J.Hartigan resigned as Company Secretary 22 July 2010

OPTIONS

At the date of this report, the unissued ordinary shares of East Coast Minerals N.L. under option are as follows:

Type	No. Issued	No. Quoted	Exercise Price	Expiry Date
Ordinary Options	3,000,000	-	$0.20	21 December 2011
Ordinary Options	71,804,658	-	$0.04	14 July 2013
Ordinary Options	12,000,000	-	$0.04	8 December 2013

At the date of this report, the unissued partly paid shares of East Coast Minerals N.L. under option are as follows:

Type	No. Issued	No. Quoted	Exercise Price	Expiry Date
Partly Paid Share Options	3,000,000	-	$nil*	31 October 2011
Partly Paid Share Options	6,250,000	-	$nil*	27 November 2012
Partly Paid Share Options	5,000,000	-	$nil*	30 April 2013

Upon exercising these options the option holder 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 require the company share price to reach 20 cents prior to becoming exercisable.

The fair value of the share options using a Black and Scholes pricing model is recognised as an expense over the period from grant date to vesting date.

MEETINGS OF DIRECTORS

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

	Directors Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
Director	Meetings Attended	Number Eligible to Attend	Meetings Attended	Number Eligible to Attend	Meetings Attended	Number Eligible to Attend
N. Little	3	3	-	-	1	1
E. Mead	23	24	-	-	1	1
S. Chalabian	17	24	1	1	2	2
A. Roberts	13	13	-	-	-	-
G. Libbesson	20	20	1	1	1	1

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 $6,778 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; and
- 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 2011 has been received and can be found on the following page. No non-audit services have been provided by the auditor of East Coast Minerals N.L. during the year.

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

Edward Mead
Executive Director

Perth, 28th September 2011

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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 2011, 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

Chartered Accountants

D J Wall
Partner

Perth, WA
Dated: 27th September 2011

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	CONSOLIDATED 2011 $	2010 $
Revenue	2	30,106	17,577
Consultancy fees – Exploration and investment acquisition		(246,075)	(183,806)
Consultancy fees – Administration		(487,937)	(226,660)
Consultancy fees – Corporate advisory		(507,538)	(488,508)
Compliance costs		(100,211)	(106,308)
Depreciation		(412)	(1,537)
Directors, officers and employee benefits		(404,903)	(561,518)
Finance costs	3	(205,267)	(61,240)
Impairment expense	3	-	(446,591)
Legal fees		(151,369)	(328,215)
Occupancy expenses		(63,282)	(55,209)
Loss on disposal of subsidiaries		(341,056)	-
Other expenses		(435,887)	(201,080)
(LOSS) BEFORE INCOME TAX		(2,913,831)	(2,643,095)
Income tax benefit	4	-	-
(LOSS) FROM CONTINUING OPERATIONS FOR THE YEAR		(2,913,831)	(2,643,095)
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS AFTER TAX	5	-	(723,089)
OTHER COMPREHENSIVE (LOSS)			
Change in fair value of financial assets		151	-
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD		**(2,913,680)**	**(3,366,184)**
(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Members of the parent entity		(2,913,680)	(3,051,929)
Non-controlling interest		-	(314,255)
		(2,913,680)	(3,366,184)
OTHER COMPREHENSIVE (LOSS) ATTRIBUTABLE TO:			
Members of the parent entity		151	-
Non-controlling interest		-	-
		151	-
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD		**(2,913,680)**	**(3,366,184)**
Earnings per share			
Basic (loss) per share	20	(1.51) cents	(3.94) cents

The Statement of Comprehensive Income is to be read in conjunction with the attached notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
CURRENT ASSETS			
Cash and cash equivalents	6	1,333,218	300,689
Trade and other receivables	7	39,235	312,801
TOTAL CURRENT ASSETS		1,372,453	613,490
NON-CURRENT ASSETS			
Financial assets	8	161	10
Property, plant and equipment		4,037	818
Exploration and evaluation expenditure	10	566,606	467,000
Intangible assets	11	-	-
TOTAL NON-CURRENT ASSETS		570,804	467,828
TOTAL ASSETS		1,943,257	1,081,318
CURRENT LIABILITIES			
Trade and other payables	12	166,562	521,429
Financial liabilities	13	-	1,611,239
TOTAL CURRENT LIABILITIES		166,562	2,132,668
TOTAL LIABILITIES		166,562	2,132,668
NET ASSETS/(LIABILITIES)		1,776,695	(1,051,350)
EQUITY			
Issued capital	14	16,631,564	11,045,839
Reserves	15	526,801	672,650
Accumulated losses		(15,381,670)	(12,370,917)
Parent entity interest		1,776,695	(652,428)
Non-controlling interest		-	(398,922)
TOTAL EQUITY		1,776,695	(1,051,350)

The Statement of Financial Position is to be read in conjunction with the attached notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Capital	Fair Value Reserve	Options Reserve	Accumulated Losses	Non-Controlling Interest	Total
Consolidated	**$**	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2009	**9,182,316**	**-**	**320,000**	**(9,318,988)**	**(84,667)**	**98,661**
(Loss) for the year	-	-	-	(3,051,929)	(314,255)	(3,366,184)
Total comprehensive income for period	**-**	**-**	**-**	**(3,051,929)**	**(314,255)**	**(3,366,184)**
Issued of share capital	2,009,804	-	-	-	-	2,009,804
Costs associated with capital issues	(146,281)	-	-	-	-	(146,281)
Options granted	-	-	352,650	-	-	352,650
Balance at 30 June 2010	**11,045,839**	**-**	**672,650**	**(12,370,917)**	**(398,922)**	**(1,051,350)**
At 1 July 2010	**11,045,839**	**-**	**672,650**	**(12,370,917)**	**(398,922)**	**(1,051,350)**
(Loss) for the year	-	-	-	(2,913,831)	-	(2,913,831)
Change in fair value of financial assets (net of deferred Tax)	-	151	-	-	-	151
Total comprehensive income for period	**-**	**151**	**-**	(2,913,831)	-	**(2,913,680)**
Issue of share capital	5,756,438	-	-	-	-	5,756,438
Derecognition of non-controlling interest upon disposal of subsidiaries	-	-	-	(398,922)	398,922	-
Costs associated with capital issues	(170,713)	-	-	-	-	(170,713)
Options granted	-	-	156,000	-	-	156,000
Share options forfeited	-	-	(302,000)	302,000	-	-
Balance at 30 June 2011	**16,631,564**	**151**	**526,650**	**(15,381,670)**	**-**	**1,776,695**

The Statement of Changes in Equity is to be read in conjunction with the attached notes..

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		180,724	-
Payments to suppliers and employees		(2,564,365)	(2,123,533)
Interest received		28,162	361
Interest paid		(1,161)	-
NET CASH USED IN OPERATING ACTIVITIES	**24**	(2,356,640)	(2,123,172)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for subsidiaries, net of cash disposed	**24**	(276,844)	-
Proceeds from disposal of non-current assets		-	7,500
Payments for exploration expenditure		(99,606)	(674,228)
Purchase of property, plant and equipment		(3,631)	-
NET CASH USED IN INVESTING ACTIVITIES		(380,081)	(666,728)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,664,787	1,516,655
Proceeds from loans		104,463	21,479
Proceeds from draw-down of convertible finance facility		-	1,550,000
Costs of issuing share capital		-	(46,449)
NET CASH PROVIDED BY FINANCING ACTIVITIES		3,769,250	3,041,685
NET INCREASE IN CASH HELD		1,032,529	251,785
Cash at the beginning of the financial year		300,689	48,904
CASH AT THE END OF THE FINANCIAL YEAR	**6**	1,333,218	300,689

The Statement of Cash Flows is to be read in conjunction with the attached notes.

These consolidated financial statements and notes represent those of East Coast Minerals N.L. (the **Company** or **Parent**) and its controlled entities (**Consolidated Group** or **Group**). The Company is a no liability company incorporated in Australia. The addresses of its registered office and principal place of business are disclosed in the corporate directory of the annual report.

The separate financial statements of the parent entity, East Coast Minerals N.L. have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 27th Septmber 2011 by the directors of the Company.

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 (AASB) 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. 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) Consolidation Policy

A controlled entity is an entity over which East Coast Minerals N.L. 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 9 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.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent are shown separately within the Equity section of the Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

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 acquisition method.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Consolidation Policy (Cont'd)

The acquisition 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 carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest; and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value *(full goodwill method)* or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets *(proportionate interest method).* In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Refer to Note 11 for information on the goodwill policy adopted by the Group for acquisitions.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

b) 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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Income Taxes (Cont'd)

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.

c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Property, Plant and Equipment (Cont'd)

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Exploration and Evaluation Costs (Cont'd)

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

Initial recognition and measurement

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

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Financial Instruments (Cont'd)

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.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are not expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 statement of comprehensive income.

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.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h) 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.

i) Revenue Recognition

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

j) 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.

k) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than [insert number] year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Employee Benefits (Cont'd)

Equity-settled compensation

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Barrier Condition Option or Black Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

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 AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

– AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

  This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined any potential impact on the financial statements.

– AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

  AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) New accounting standards and interpretations not yet adopted (Cont'd)

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Group is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

– AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard is not expected to impact the Group.

– AASB 2010–5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

– AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Group.

– AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Group has not yet determined any potential impact on the financial statements from adopting AASB 9.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 $566,606 (2010: $467,000).

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 $566,606 at 30 June 2011.

2. REVENUE AND OTHER INCOME

	Consolidated Group	
	2011	2010
	$	$
Interest received – unrelated parties	**28,162**	361
Other income – management fees	**1,944**	17,216
	30,106	17,577

3. LOSS FOR THE YEAR

	Consolidated Group	
	2011	2010
	$	$
Interest expense on financial liabilities – not at fair value through profit or loss – unrelated parties	**205,267**	61,240
Impairment write-downs:		
Capitalised exploration and evaluation expenditure	**-**	446,591
	205,267	507,831

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.

b) Reconciliation between income tax expense and prima facie tax on accounting loss

	Consolidated Group	
	2011	2010
	$	$
Accounting (loss)	**(2,913,730)**	(3,051,929)
Tax at 30%	**(874,119)**	(915,579)
Tax effect of non-deductible expenses		
- share based payment expense	**46,800**	121,295
- other non-deductible expenses	**1,370**	470
Deferred tax assets not recognised	**(825,949)**	(793,814)
Income tax expense	**-**	-
The applicable weighted average effective tax rates are as follows:	**0%**	0%

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

c) Deferred tax balances not brought to account:

	Consolidated Group	
	2011	2010
	$	$
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	**161,184**	81,482
- Tax losses: operating losses	**5,210,473**	4,431,523
	5,371,657	4,513,005
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	**170,387**	140,100

Tax-consolidated group

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

d) Franking account balance:

	Consolidated Group	
	2011	2010
	$	$
Balance of franking account at year end	**113,705**	113,705

The ability to utilise franking credits is dependent upon there being sufficient available profits to declare dividends.

5. DISCONTINUED OPERATIONS

On 20 August 2010, the consolidated group announced its decision to dispose of its subsidiary Energy Future NL and its related entities, thereby discontinuing its operations in this business segment.

During the period 1 July 2010 up to the date of sale the directors of ECM believed that EFNL did not trade. The reason being that all funding obligations ceased on 25 June 2010 and subsequent to that date, and up to the point in time ECM representatives were directors of EFNL(ie 14 July 2011) no expenditure was in fact incurred by EFNL. The Directors of ECM believe that based on their communications with the sole director of EFNL from 15 July through to 20 August 2010 that there was no futher expenditure incurred. In view of the above , the directors believe that there are no profits or losses that need to be consolidated in the financial statements up to date of exit.

Financial information relating to the discontinued operation to the date of disposal is set out below.

The financial performance of the discontinued operation to the date of sale, which is included in profit/(loss) from discontinued operations in the statement of comprehensive income, is as follows:

	Consolidated Group	
	2011	2010
	$	$
Revenue	-	241
Expenses	-	(723,330)
Loss before income tax	-	(723,089)
Income tax expense	-	-
Loss after tax	-	(723,089)
Loss attributable to:		
Parent	-	(408,835)
Non-controlling interest	-	(314,254)
Total (loss) after tax attributable to the discontinued operation	-	(723,089)
The net cash flows of the discontinued division, which have been incorporated into the statement of cash flows, are as follows:		
Net cash inflow/(outflow) from operating activities	-	(825,922)
Net cash inflow from investing activities	-	(106,579)
Net cash (outflow)/inflow from financing activities	-	975,000
Net cash increase in cash generated by the discontinued division	-	42,499

Gain on disposal of the division included in gain from discontinued operations in the statement of comprehensive income.

6. CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2011	2010
	$	$
Cash and cash equivalents	**1,333,218**	300,689

7. TRADE AND OTHER RECEIVABLES

		Consolidated Group	
		2011	2010
		$	$
CURRENT			
Trade and other receivables		**29,227**	270,583
Prepayments		**10,008**	40,583
Loans to related parties	**(a)**	**-**	1,635
		39,235	312,801

(a) Loans to related parties

Loans to related parties comprise amounts advanced to the director of a controlled entity to cover reasonable travel costs. The loans are provided for normal business operations and are interest free and generally on 30-day terms and are considered recoverable.

Provision for Impairment of Receivables

A provision for impairment is recognised when there is objective evidence that an individual receivable is impaired. There has been no impairment recognised in relation to receivables.

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. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the group.

The following table details the group's trade and other receivables exposure to credit risk with ageing analysis. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the group and the counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully recoverable by the group.

			Past due but not impaired				
2011	Gross amount	Past due and impaired	<30	31-60	61-90	>90	Within initial trade terms
Trade receivables	29,227	-	-	-	-	-	29,227
	29,227	-	-	-	-	-	29,227
2010							
Trade receivables	171,649	-	-	-	-	52,055	119,594
Other receivables	98,934	-	-	-	-	-	98,934
	270,583	-	-	-	-	52,055	218,528

8. OTHER FINANCIAL ASSETS

	Consolidated Group	
	2011	2010
	$	$
NON-CURRENT		
Available for sale investments in related parties carried at fair value:		
- ASX listed shares	**161**	10
	161	10

9. CONTROLLED ENTITIES

	Country of Incorporation	Ownership % 2011	Ownership % 2010
Parent Entity:			
East Coast Minerals N.L.	Australia	**-**	-
Subsidiaries:			
American Energy Future LLC	USA	-	56.54
CTL Technologies Pty Limited	Australia	-	56.54
East Coast Metals Pty Limited	Australia	100	100
Energie Future N.L.	Australia	-	56.54
Sydney Basin UCG Pty Limited	Australia	-	56.54

On 20 August 2010, the Company disposed of its investment in Energie Future N.L. and consequently the investments it holds in subsidiaries American Energy Future LLC, CTL Technologies Pty Limited and Sydney Basin UCG Pty Limited. Refer to note 5 for further details.

10. EXPLORATION AND EVALUATION EXPENDITURE

		Consolidated Group	
		2011	2010
		$	$
NON-CURRENT			
Capitalised exploration and evaluation expenditure – at cost		**2,628,535**	2,528,929
Less: allowance for impairment		**(2,061,929)**	(2,061,929)
Capitalised exploration and evaluation expenditure	**(a)**	**566,606**	467,000

a) Reconciliation of carrying amount		
Balance at beginning of financial period	**467,000**	545,064
Expenditure in current period	**99,606**	368,527
Increase in provision for impairment	**-**	(446,591)
Balance at end of reporting period	**566,606**	467,000

10. EXPLORATION AND EVALUATION EXPENDITURE (CONT'D)

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.

11. INTANGIBLE ASSETS

		Consolidated Group	
		2011	2010
		$	$
NON-CURRENT			
Goodwill		**-**	251,905
Less: allowance for impairment		**-**	(251,905)
	(a)	**-**	-

a) Reconciliation of carrying amount

	Consolidated Group 2011 $	2010 $
Balance at beginning of financial period	**-**	674
Increase in provision for impairment	**-**	(674)
Balance at end of reporting period	**-**	-

The goodwill is attributable to intellectual property and mining licences held by Energie Future N.L. The investment in Energie Future has been fully impaired as at 30 June 2010. Energy Futures NL was sold on 20 August 2010.

12. TRADE AND OTHER PAYABLES

	Consolidated Group	
	2011	2010
	$	$
CURRENT		
Unsecured liabilities		
Trade payables	**141,395**	269,823
Sundry payables and accrued expenses	**25,167**	251,606
	166,562	521,429

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

	Consolidated Group 2011 $	2010 $
Total current	**166,562**	521,429

13. FINANCIAL LIABILITIES

	Consolidated Group	
	2011	2010
	$	$
CURRENT		
Secured convertible loan facility – at amortised cost	-	600,000
Unsecured loan facility – at amortised cost	-	1,011,239
	-	1,611,239

The secured convertible loan was to Exchange Minerals Limited which was secured by an unregistered floating charge over the assets of the Company, as announced to the market on 12 October 2009. The facility was repaid on 28 January 2011 by way of the issue of 46,287,663 fully paid ordinary shares.

An unsecured loan facility was entered into with a substantial shareholder, as announced to the market on 28 June 2010. The total amount available under the facility is $2,000,000 (undrawn facility available $388,761). The facility was converted to a secured loan and was settled as above.

14. SHARE CAPITAL

	Consolidated Group	
	2011	2010
	$	$
268,886,586 (2010: 87,653,581) fully paid ordinary shares	**15,812,213**	10,211,488
40,967,538 (2010: 41,717,538) ordinary shares paid to 2c	**819,351**	834,351
	16,631,564	11,045,839

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.

14. SHARE CAPITAL (CONT'D)

Reconciliation of movements in share capital during the year:

	Fully Paid Ordinary Shares		Ordinary Shares Paid to 2c	
	2011	2010	**2011**	2010
	No. Shares	No. Shares	**No. Shares**	No. Shares
Balance at beginning of reporting period:	**87,653,581**	48,709,334	**41,717,538**	**46,495,118**
Shares converted during the year:				
• 5 November 2009	-	4,777,580	-	**(4,777,580)**
Shares issued during the year:				
• 3 July 2009	-	6,000,000	-	-
• 22 September 2009	-	2,750,000	-	-
• 30 December 2009	-	6,833,334	-	-
• 11 January 2010	-	4,000,000	-	-
• 12 January 2010	-	1,250,000	-	-
• 30 April 2010	-	2,333,333	-	-
• 16 June 2010	-	11,000,000	-	-
• 14 July 2010	**24,809,525**	-	-	-
• 27July 2010	**11,140,684**	-	-	-
• 29 July 2010	**4,120,133**	-	-	-
• 28 January 2011	**46,287,663**	-	-	-
• 23 February 2011	**5,875,000**	-	**(375,000)**	-
• 28 February 2011	**87,500,000**	-	-	-
• 28 February 2011	**500,000**	-	-	-
• 1 April 2011	**1,000,000**	-	**(375,000)**	
Balance at end of reporting period	**268,886,586**	87,653,581	**40,967,538**	**41,717,538**

The partly paid ordinary shares are issued with 8 cents outstanding calls of 6 cent each. The partly paid shares are entitled pro rata to the amount paid per share as to dividend or voting rights. The company has the power to forfeit any shares where the call remains unpaid 14 days after the call was payable. The company then must offer the share forfeited for public auction within six weeks of the call becoming payable.

In the event of winding up of the company, there is no obligation for a shareholder of partly paid shares to pay the outstanding amounts per partly paid share.

Capital Management

The Board in consultation 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 the Board 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.

15. RESERVES

		Consolidated Group 2011 $	2010 $
Options reserve	**(a)**	**526,650**	672,650
Fair value reserve	**(b)**	**151**	-
		526,801	672,650

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.

16. FINANCIAL RISK MANAGEMENT

The group's principal financial instruments comprise mainly of deposits with banks.

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 2011 $	2010 $
Financial Assets		
Cash and cash equivalents	**1,333,218**	300,689
Trade and other receivables	**29,227**	272,218
Financial assets at fair value through profit or loss	**161**	10
	1,362,606	572,917
Financial Liabilities		
Trade and other payables	**166,562**	521,429
Financial liabilities	**-**	1,611,239
	166,562	2,132,668

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.

16. FINANCIAL RISK MANAGEMENT (CONT'D)

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 2011.

The financial liabilities of the group are at fixed rates as disclosed in note 13, consequently, the impact on reported profit and equity based on the group's exposure to interest rate risk within reasonably expected ranges would not be material.

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 7. The trade receivables balances at 30 June 2011 and 30 June 2010 do not include any counterparties with external credit ratings.

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

16. FINANCIAL RISK MANAGEMENT (CONT'D)

c) Liquidity Risk (Cont'd)

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

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Financial liabilities - due for payment:								
Trade and other payables	166,562	521,429	-	-	-	-	166,562	521,429
Financial liabilities	-	1,611,239	-	-	-	-	-	1,611,239
Total contractual outflows	166,562	2,132,668	-	-	-	-	166,562	2,132,668
Financial assets – cash flows realisable								
Cash & cash equivalents	1,333,218	300,689	-	-	-	-	1,333,218	300,689
Trade & other receivables	29,227	272,218	-	-	-	-	29,227	272,218
Financial assets at fair value through profit or loss	161	-	-	-	-	10	161	10
Total anticipated inflows	1,362,606	572,907	-	-		10	1,362,606	572,917
Net inflow/(outflow) on financial instruments	**1,196,044**	**(1,559,761)**	**-**	**-**	**-**	**10**	**1,196,044**	**(1,559,751)**

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.

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. The impact on reported profit and equity based on the group's exposure to securities price risk within reasonably expected ranges would not be material.

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 exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period 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.

16. FINANCIAL RISK MANAGEMENT (CONT'D)

d) Price Risk (Cont'd)

Interest Rate Sensitivity Analysis

		-1% change		+1% change	
	Carrying amount	Profit	Equity	Profit	Equity
2010					
Financial Assets					
Cash and cash equivalents	1,333,218	(13,332)	(13,332)	13,332	13,332
Total Increase/(Decrease)		(13,332)	(13,332)	13,332	13,332
2009					
Financial Assets					
Cash and cash equivalents	300,689	(3,007)	(3,007)	3,007	3,007
Total Increase/(Decrease)		(3,007)	(3,007)	3,007	3,007

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Consolidated

	Level 1	Level 2	Level 3	Total
2011	**$**	**$**	**$**	**$**
Financial assets:				
Available-for-sale financial assets:				
- listed investments	161	-	-	161
	161	-	-	161
2010				
Financial assets:				
Available-for-sale financial assets:				
- listed investments	10	-	-	10
	10	-	-	10

17. COMMITMENTS FOR EXPENDITURE

The consolidated group currently has commitments for expenditure on its exploration tenements as follows:

	Consolidated Group	
	2011	2010
	$	$
Not later than 12 months	**207,100**	207,100
Between 12 months and 5 years	**657,300**	808,400
Greater than 5 years	**-**	56,000
	864,400	1,071,500

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The directors are not aware of any contingent liabilities or assets as at 30 June 2011.

19. RELATED PARTY TRANSACTIONS

a) Key Management Personnel

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2011.

Other than the Directors and the Company Secretary, the Company had no key management personnel for the financial period ended 30 June 2011 or 30 June 2010.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated Group	
	2011	2010
	$	$
Short-term employee benefits	**231,894**	156,968
Other long term benefits	**10,594**	1,200
Options granted	**-**	272,250
Share based payments	**156,000**	132,067
	398,488	562,485

19. RELATED PARTY TRANSACTIONS (CONT'D)

KMP Options and Rights Holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

	Balance at 1 July 2010	Received as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2011
N. Little	-	-	-	500,000	500,000
E. Mead	5,000,000	5,000,000	-	-	10,000,000
S. Chalabian	3,500,000	2,000,000	-	-	5,500,000
A. Roberts	-	-	-	-	-
L. McCreery	-	-	-	1,126,196	1,126,196
G. Libbesson	4,000,000	5,000,000	-	(9,000,000)	-
J. Hartigan	750,000	-	-	(750,000)	-

	Balance at 1 July 2009	Received as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2010
E. Mead	-	5,000,000	-	-	5,000,000
R. Sealy	1,000,000	-	-	(1,000,000)	-
S. Chalabian	1,000,000	2,500,000	-	-	3,500,000
G. Libbesson	1,000,000	3,000,000	-	-	4,000,000
J. Hartigan	-	750,000	-	-	750,000

KMP Shareholdings

The number of ordinary shares in East Coast Minerals NL held by each KMP of the Group during the financial year is as follows:

Ordinary shares held by Directors, Officers and their associated entities

	Balance at 1 July 2010	Received as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2011
Nigel Little	-	-	-	1,000,000	1,000,000
E. Mead	2,800,000	-	-	-	2,800,000
S. Chalabian	2,771,826	-	-	-	2,771,826
A. Roberts	-	-	-	-	-
L. McCreery	-	-	-	1,981,201	1,981,201
G Libbesson	2,442,700	-	-	(2,442,700)	-
J. Hartigan	-	-	-	-	-

19. RELATED PARTY TRANSACTIONS (CONT'D)

KMP Shareholdings

Ordinary partly paid shares held by Directors, Officers and their associated entities

	Balance at 1 July 2010	Received as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2011
Nigel Little	-	-	-	-	-
E. Mead	200,000	-	-	-	200,000
S. Chalabian	-	-	-	-	-
A. Roberts	-	-	-	-	-
L. McCreery	-	-	-	5,000	5,000
G Libbesson	350,270	-	-	(350,270)	-
J. Hartigan	-	-	-	-	-

Ordinary shares held by Directors, Officers and their associated entities

	Balance at 1 July 2009	Received as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2010
E. Mead	-	1,000,000	-	1,800,000	2,800,000
S. Chalabian	1,177,580	333,333	-	1,260,913	2,771,826
G Libbesson	342,700	1,000,000	-	1,100,000	2,442,700
R. Sealy	270,270	-	-	(270,270)	-
J. Hartigan	-	-	-	-	-

Ordinary partly paid shares held by Directors, Officers and their associated entities

	Balance at 1 July 2009	Received as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2010
E. Mead	-	-	-	200,000	200,000
S. Chalabian	1,177,580	-	-	-	-
G. Libbesson	950,270	-	-	(600,000)	350,270
R.Sealy	1,680,270	-	-	(1,680,000)	-
J. Hartigan	-	-	-	-	-

19. RELATED PARTY TRANSACTIONS (CONT'D)

b) Other Related Parties

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	
	2011	2010
	$	$
Lands Legal Pty Limited – related party of Mr Chalabian. Payments made were directors fees for Mr Chalabian.	**17,016**	41,424
Doraleda Pty Limited – related party of Mr Mead. Payments made were directors fees for Mr Mead.	**-**	30,000
Doraleda Pty Limited – related party of Mr Mead. Payments made were consultancy fees outside the role of managing director.	**186,000**	99,888
ViaMex Pty Ltd - related party of Mr T Roberts. Payments made were consulting fees outside the role of an executive director.	**146,075**	-
Feon Investments Ltd - related party of Mr Little . Payments were made for consulting fees.	**29,166**	-
Unorfadox Pty Limited – related party of Mr Libbesson. Payments made were directors fees for Mr Libbesson.	**7,166**	72,211
Astute Corporate Services Australia Pty Ltd – related party of Mr Hartigan. Consultancy fees for company secretarial services.	**-**	149,877
Sealy Consulting Services Pty Limited – related party of Mr Sealy. Payments made were consultancy fees outside the role of managing director.	**-**	86,502

20. EARNINGS PER SHARE

	Consolidated Group	
	2011	2010
	$	$
Reconciliation of earnings per share		
Loss as per statement of comprehensive income	**(2,913,680)**	(3,366,184)
Less: Loss attributable to non-controlling interest	**-**	314,255
Loss used to calculate basic earnings per share	**(2,913,680)**	(3,051,929)
Reconciliation of weighted average number of ordinary shares		
Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share	**192,955,376**	77,500,826
Weighted average number of dilutive options outstanding	**-**	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive earnings per share	**192,955,376**	77,500,826
Anti-dilutive options on issue not used in dilutive earnings per share calculation	**83,804,658**	67,250,000

The company currently has a number of unlisted options as disclosed in the directors' report and Note 23 "Share Based Payments". 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.

21. SEGMENT INFORMATION

The group's operations in 2011 are managed in Australia and involve exploration of its mineral properties in Western Australia.

Revenues of approximately Nil (2010 - Nil) are derived from a single external customer.

All the assets are located in Australia only. Segment assets are allocated to countries based on where the assets are located.

22. AUDITORS REMUNERATION

	Consolidated Group	
	2011	2010
	$	$
Audit or review of the financial statements	**35,000**	33,000
Other non-audit services	**-**	-
	35,000	33,000

23. 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

The following options were granted to key management personnel during the year. These options are not exercisable unless the East Coast share price reaches a point equal to or greater than $0.06c:

Grant date	Expiry date	Exercise price	Value per option at grant date	Number Issued
29 November 2010	8 Dec 2013	$0.04	$0.013	12,000,000

Fair values at issue date are determined using a Barrier Condition 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. Further details on the share options issued to key management personnel is included in the Director's report.

1. The model inputs for options granted during the year ended 30 June 2011 included:
2. Exercise price of $0.04 on or before expiry date
3. Expected price volatility 80%, based on historical data
4. Risk-free interest rate of 4.85%.
5. Dividends – none.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period has been reflected in the statement of comprehensive income as follows:

	Consolidated Group	
	2011	2010
	$	$
Expenses related to options issued to key management personnel:		
Directors, officers and employee benefits	**156,000**	272,250
Expenses related to options issued to consultants:		
Consultancy fees – Corporate Advisory	**-**	361,083
Expenses related to shares issued to key management personnel:		
Directors, officers and employee benefits	**-**	132,067
Total expenses arising from share-based payments	**156,000**	756,400
Items recognised directly in equity:		
Share options issued to underwriters (costs associated with capital issues)	-	80,400

23. SHARE BASED PAYMENTS (CONT'D)

Other information

A summary of the movements in options issued during the year is as follows:

	Number of options	Weighted average exercise price
Options outstanding as at 30 June 2009	**53,000,000**	
Granted during the period (Options over fully paid shares)	3,000,000	$0.20
Granted during the period (Options over partly paid 'A' shares)	11,250,000	-
Options outstanding as at 30 June 2010	**67,250,000**	
Granted during the period (Options over fully paid shares)	90,429,658	$0.04
Exercised during the period	(6,625,000)	-
Cancelled during the period	(50,000,000)	-
Options outstanding as at 30 June 2011	**101,054,658**	

24. CASH FLOW INFORMATION

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

	Consolidated Group	
	2011	2010
	$	$
(Loss) after income tax	**(2,913,831)**	(3,366,184)
Non-cash flows in profit:		
Depreciation	**412**	1,537
Loss on disposal of subsidiaries	**341,056**	-
Share options issued	**-**	352,650
Share based payments	**156,000**	658,150
Impairment loss	**-**	554,518
Interest on convertible notes	**205,237**	-
Changes in assets and liabilities during the financial period:		
Decrease in prepayments	**30,575**	-
(Increase)/decrease in trade and other receivables	**178,780**	(248,633)
Decrease in trade and other payables	**(354,669)**	(75,210)
Net cash use in operating activities	**(2,356,640)**	(2,123,172)

b) Non-cash Financing and Investing Activities

i. **Share based payments:** During the year 12,000,000 options with a fair value of $156,000 were issued to directors and the underwriter's of the company's share issue in 8 Dec 2010.

ii. **Interest on convertible notes:** An unsecured loan facility was entered into with a substantial shareholder, as announced to the market on 28 June 2010. The loan facility was repaid on 28 January 2011 by way of the issue of 46,287,663 fully paid ordinary shares.

24. CASH FLOW INFORMATION (CONT'D)

c) Disposal of subsidiaries

	Consolidated Group 2011 $	Consolidated Group 2011 $
During the year, the controlled entity Energie Future NL were sold. Aggregate details of this transaction are:		
Disposal price	1	-
Cash consideration	1	-
Assets and liabilities held at disposal date:		
Cash and cash equivalent	276,845	-
Receivables	64,211	-
	341,056	
Net (loss) on disposal	(341,056)	-
Cash disposed of	(276,844)	
Net cash outflow	(276,844)	-

25. PARENT COMPANY INFORMATION

	Parent Company 2011 $	Parent Company 2010 $
Current assets	**1,372,453**	503,276
Total assets	**1,943,357**	971,204
Current liabilities	**166,562**	2,132,668
Total liabilities	**166,562**	2,132,668
Total equity	**(1,776,795)**	(1,161,463)
Loss for the year	**(2,803,617)**	(3,615,150)
Total comprehensive loss	**(2,803,768)**	(3,615,150)

The parent company has not provided any guarantees. The contingent liabilities and capital commitments of the parent company are the same as those of the consolidated group.

26. SIGNIFICANT AFTER BALANCE DATE EVENTS

East Coast Minerals has entered into a conditional agreement through its major shareholder Exchange Minerals Ltd (EML) to acquire an 80% shareholding in the proposed owner of the Austrian Lithium Project, the ECM Lithium Group.

ECM Lithium Group subsidiary, ECM Lithium AT GmbH ("**ECM Lithium**"), has subsequently entered into a conditional contract with third party vendor Kärntner Montanindustrie GmbH ("**KMI**"), for the acquisition of mining and exploration licenses in the mining area known as the Austrian Lithium Project. A major condition of that agreement has now been met with the payment of an initial installment of €3.7 million by Exchange Minerals. The above payment is in addition to the €550,000 already paid for the exclusivity period by EML.

26. SIGNIFICANT AFTER BALANCE DATE EVENTS (CONT'D)

As part of the conditions for the transfer of the licenses by the mining department "**Montanbehörde**", ECM Lithium was required to evidence €1.2 million of cash in it's bank account. These funds support the work program that was submitted as part of the transfer process and will be used as working capital by ECM lithium for the Austrian Lithium Project. The €1.2 million was advanced by the Exchange Minerals Group to ECM Lithium. The key terms of this loan include:

- interest of 12% per annum;
- term of the loan - 1 year and repayable earlier by East Coast; and
- security - a charge on ECM Lithium's shares in ECM Lithium (Investments) Limited

As a consequence of the above, variations to the contracts previously executed between East Coast and the Exchange Minerals Group have been made.

Except for the matter disclosed above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

27. COMPANY DETAILS

The registered and principal office of the company is:

Ground floor,
3 Richardson Street
West Perth WA 6005

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, are in accordance with the *Corporations Act 2001* and:

  a. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

  b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company and consolidated group;

2. the Managing Director and Company Secretary have each declared that:

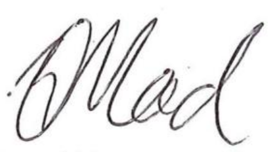
  a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

  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.



Edward Mead
Executive Director

Perth
28th September 2011

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
EAST COAST MINERALS N.L.

We have audited the accompanying financial report of East Coast Minerals N.L., which comprises the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply 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 about 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.

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,* which has been given to the directors of East Coast Minerals N.L., would be in the same terms if given to the directors as at the time of this auditor's report.

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 consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards 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 contained within the directors' report· for the year ended 30 June 2011. 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.

Opinion

In our opinion the Remuneration Report of East Coast Minerals N.L. for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001.*

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

D J Wall

Perth WA
Dated: 28TH September 2011

D J Wall
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	695	544,304	0.20	90	74,700	0.18
1,001 - 5,000	416	1,163,198	0.43	94	274,038	0.67
5,001 - 10,000	146	1,217,818	0.45	30	254,250	0.62
10,001 - 100,000	318	13,054,655	4.86	60	2,478,963	6. 05
100,001+	255	252,906,611	94.06	23	37,885,587	92.48
Total	**1,830**	**268,886,586**	**100.00**	**297**	**40,967,538**	**100.00**

The number of shareholders who hold less than a marketable parcel of securities is 1,270 and they hold 3,064,166 securities.

Twenty largest holders of each class of quoted equity security

Ordinary Shares

	Name	No of Ordinary Shares	%
1.	Exchange Minerals Limited	46,287,663	17.21%
2.	Penson Australia Nominees Pty.	14,571,794	5.42%
3.	Mining Investments Limited	10,500,000	3.90%
3.	Warr Holdings Pty Ltd	7,166,667	2.67%
5.	HSBC Custody Nominees (Australia) Limited	7,086,767	2.64%
6.	Kafta Enterprises Pty Limited	6,421,898	2.39%
7.	Falafel Investments Pty Limited	5,600,479	2.08%
8.	Pharlap Holdings Pte Limited	5,449,999	2.03%
9.	Mr Andrew David Wilson & Mrs Jillian Gae Wilson	5,400,000	2.01%
10.	Trayburn Pty Ltd	4,761,905	1.77%
11.	Mr Roderick Claude McIllree	3,812,368	1.42%
12.	Pitt Street Absolute Return Fund Pty Limited	3,800,000	1.41%
13.	Citicorp Nominees Pty Limited	3,688,133	1.37%
14.	Markovic Family No 2 Pty Ltd	3,133,333	1.17%
15.	Normandy Corporation Pty Ltd	2,666,667	0.99%
16.	Webfire Pty Ltd	2,546,266	0.95%
17.	Upper Mantle Investments Pty Ltd	2,500,000	0.93%
18.	Brutus Investments Pty Ltd	2,438,493	0.91%
19.	Saiala Investments Pty Ltd	2,391,033	0.89%
20.	Twofivetwo Pty Ltd	2,225,000	0.83%
		142,448,465	**52.98%**

Options to acquire fully paid shares (unlisted) – expiring 21 Dec 2011

	Name	No of Options	%
1.	Cunningham Securities Limited	3,000,000	100.00
		3,000,000	**100.00**

Options to acquire partly paid shares (unlisted) – expiring 27 Nov 2012

	Name	No of Options	%
1.	Bunyala Investments Pty Ltd	3,000,000	48.00
2	STC Advisory Pty Ltd	2,500,000	40.00
3.	Roquebrune Holdings Pty Ltd	750,000	12.00
		6,250,000	**100.00**

Options to acquire partly paid shares (unlisted) – expiring 31 October 2011

	Name	No of Options	%
1.	Aviation Holdings Pty Ltd	1,000,000	33.34
2	Unorfadox Pty Ltd	1,000,000	33.33
3.	STC Advisory Pty Ltd	1,000,000	33.33
		3,000,000	**100.00**

Options to acquire fully paid shares (unlisted) – expiring 14 July 2013 (Top 20)

	Name	No of Options	%
1.	Mining Investments Limited	9,523,810	12.36%
2.	Pitt Street Absolute Return	9,523,810	12.36%
3.	Mr Roderick Claude McIllree	5,000,000	6.49%
4.	Trayburn Pty Ltd	4,761,905	6.18%
5.	Kafta Enterprises Pty Limited	1,904,762	2.47%
6.	Mr Andrew David Wilson & Mrs Hillian Gae Wilson	1,833,333	2.38%
7.	Normandy Corporation Pty Ltd	1,333,333	1.73%
8.	Michael Kneebone	1,250,000	1.62%
9.	Bluebase Pty Ltd	1,200,000	1.56%
10.	Arena Offshore Investment Fund	1,166,367	1.51%
11.	Zella Investments Pty Ltd	1,116,667	1.45%
12.	Mr Andrew Paul Donnelly	1,083,333	1.41%
13.	Mr Peter Cassidy	1,000,000	1.30%
14.	Kongoni Nominees Pty Ltd	1,000,000	1.30%
15.	Mr Keith William Sheppard	1,000,000	1.30%
16.	Waterbeach Investments Pty Ltd	1,000,000	1.30%
17.	Mr Daniel Paul Wise	1,000,000	1.30%
18.	Portmore Corporation Pty Ltd	933,333	1.21%
19.	Muteroo Pastoral Co Pty Ltd	833,339	1.08%
20.	Ms Meily Eviana	833,333	1.08%
		47,297,458	**61.38%**

Ordinary shares partly paid to 2c (unlisted) (Top 20)

	Name	No of Shares	%
1.	Exchange Minerals Limited	17,250,000	42.11%
2.	Gunsynd Investments Pte Ltd	6,009,559	14.67%
3.	Pharlap Holdings Pte Limited	4,842,891	11. 82%
4.	Kafta Enterprises Pty Limited	1,628,641	3.98%
5.	Falafel Investments Pty Limited	1,250,000	3.05%
6.	Ronay Investments Pty Ltd	900,515	2.20%
7.	Mr Colin Earl Garnsworthy Bennett & Mrs Burnice Anne Bennett	895,000	2.18%
8.	Battle Mountain Pty Ltd	655,600	1.60%
9.	Sealy Investments Pty Limited	640,270	1.56%
10.	Fantasy Knit (Int) Pty Ltd	450,000	1.10%
11.	Tabouli Holdings Pty Ltd	447,207	1.09%
12.	Warr Holdings Pty Limited	416,667	1.02%
13.	Proridge Pty Limited	416,667	1.02%
14.	Unorfadox Pty Ltd	340,270	0.83%
15.	Pharlap Holdings Pte Limited	338,908	0.83%
16.	Mr Garry Edward Hoar & Mrs Robyn Joy Hoar	260,000	0.63%
17.	Jemaya Pty Ltd	200,000	0.49%
18.	Doraleda Pty Ltd	200,000	0.49%
19.	Kafta Enterprises Pty Limited	166,667	0.41%
20.	Vetty Pty Ltd	151,725	0.37%
		37,460,587	**91.44%**

Substantial shareholders.

Exchange Minerals	18.1%
Pension Australia Nominees Pty Ltd	5.42%