

ASX / Media Announcement

24 May 2011



EAST COAST IN THE FINAL STAGES OF ACQUISITION OF AUSTRIAN LITHIUM PROJECT

HIGHLIGHTS

- East Coast is close to finalisation of the conditional acquisition agreements with Exchange Minerals;
- Exchange Minerals is also close to finalisation of its agreements with Kärntner Montanindustrie Gesellschaft m.b.H.;
- Agreements between East Coast and Exchange Minerals are conditional upon finalisation of due diligence and subject to shareholder approval;
- Signing ceremony in relation to the agreements with Kärntner Montanindustrie Gesellschaft m.b.H. to be held in Austria on the 31st May 2011 with key dignitaries being present; and
- Briefing Memorandum to be provided to all participants.

Australian based exploration and mining company, East Coast Minerals NL (ASX: ECM) ("East Coast" or the "Company") is pleased to announce the following updates in relation to its proposed acquisition of an advanced lithium project on the Koralpe in Carinthia, Austria ("Austrian Lithium Project"). The Company believes the acquisition of the 80% shareholding from Exchange Minerals Limited ("EML") to be a "company transforming" acquisition:

1. EML has advised East Coast that contract negotiations with the third party vendor, Kärntner Montanindustrie GmbH ("KMI") are close to finalisation and that there are only a number of relatively minor matters that need to be dealt with before signing of formal contracts. None of the matters that are outstanding are considered to be significant issues or hurdles. It is anticipated that those matter will be dealt with on or around 31 May 2011.

The agreements between KMI and EML are subject only to approval by the Austrian Mines Department for the transfer of the licenses. However, upon the signing of the agreement, EML will be required to pay the initial installment of €3.7 million into a trust account and

monies are to be released to KMI upon approval by the Austrian Mines Department of the transfer of the licenses.

The installment amount of €3.7 million is in addition to the €550,000 already paid by EML. East Coast will be required to meet the remaining €6.0 million to be paid in installments in December 2011 (€2.5 million) and April 2012 (€3.5 million); and

2. East Coast is also close to finalising the terms of its agreement with EML and again, there are no significant issues to be resolved. Completion of the outstanding matters is also expected to take place simultaneous with the matters required by KMI. The agreement between East Coast and EML is subject to certain conditions, including finalisation of due diligence, completion of the agreement with KMI and shareholders approval.

In anticipation of the above matters all being finalised prior to 31 May 2011, a formal signing ceremony is expected to take place at the premises of KMI in Wolfsberg, Austria. A number of key government officials and dignitaries, as well as media and other interested groups are expected to attend this occasion. A briefing memorandum (“BM”) is to be made available to those attending the occasion, and a copy of this is attached to this announcement below. The signing ceremony is considered to be an important event and one that reflects the importance of the Austrian Lithium Project in terms of jobs and economic contribution to the local community.

Further details will be provided in relation to the status of the acquisition, as soon as they come to hand.

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About East Coast Minerals

East Coast Minerals is an Australian based exploration and mining company listed on the Australian Stock Exchange (ASX: ECM). The philosophy of the Company is to become a leading "mining house", whereupon we take an interest in promising mining opportunities and apply our expertise to commercialise and crystallise the opportunity to create and extract shareholder wealth.

We will continue to look for new prospects, joint ventures and investments in the mining and exploration sectors in Australia and elsewhere.

More information: www.eastcoastminerals.com

ASX / Market Update

24 May 2011



BRIEFING MEMORANDUM

HIGHLIGHTS

- East Coast Minerals has been listed on the Australian Stock Exchange since 9 April 1970;
- Experienced Board of Directors with the appropriate mix of expertise in the mining sector, including mine production and project financing;
- Key asset is the Austrian Lithium Project which has an Inferred JORC Resource of 18 million tonnes at a grade of 1.6% Li₂O;
- Vienna-based lithium specialist, Dr Richard Göd, who has extensive understanding of the project has been signed up as an employee;
- East Coast has the ability to raise funds through the Australian Stock Exchange;
- A development strategy has been formulated to maximise shareholder value from the project; and
- Exchange Minerals has a record of providing quality assets and support to junior resource companies and has been a supporter of East Coast Minerals. It is being proposed that Exchange Minerals will list on the Frankfurt Stock Exchange.

Australian based exploration and mining company, East Coast Minerals NL (ASX: ECM) ("East Coast" or the "Company"), is pleased to provide this Briefing Memorandum on the Company and also on its proposed acquisition of an advanced lithium project in Carinthia, Austria ("Austrian Lithium Project").

Background

East Coast Minerals NL ("ECM" or the "Company") was incorporated in New South Wales in 1969. ECM is a mineral exploration company that invests in mining and mineral exploration projects and shares.

ECM listed on the Australian Securities Exchange ("ASX") on 9 April 1970 and as at 16 May 2011, it had a market capitalisation of AUD \$22 million.

importantly, a blend to achieve the objectives of a listed resource company. Below is a brief overview of the Board members:

Nigel S Little (Chairman)

Mr Little has over 34 years experience in the finance, capital markets and resource sectors and is currently a non-executive Chairman of Niche Group (a publicly quoted oil and gas company with interests in onshore Turkey), a director of Cornhill Capital, Cornhill Asset Management, Cornhill FX, 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 science graduate from the 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 joined the board in March 2011.

Edward C Mead (Executive Director)

Mr Mead is a geologist with over 17 years experience and is a member of the Australian Institute of Mining and Metallurgy.

Mr Mead has substantial experience in the area of mining, exploration and project development. Ed has worked in Mozambique, Cameroon, Democratic Republic of Congo, South Africa and Australia in a variety of commodities and projects at different stages. Ed has also worked as a geologist in offshore oil and gas in Australia.

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

Anthony (Tony) Roberts (Executive Director)

Mr Roberts is a mining engineer with over 40 years experience in the mining industry.

Tony has substantial experience in the area of operations and mine management. Tony spent a significant period of his career working for major Australian mining company, BHP Billiton.

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

Sevag Chalabian (Non-Executive Director)

Mr Chalabian is a practicing commercial lawyer with focus on corporate and commercial transactions in the mining and property industries. Sevag has held several directorships in junior companies and is also a non-executive director of Bisan Limited.

Mr Chalabian was appointed a Director in June 2008.

Key Management

In March 2011, the services of Dr Richard Göd were secured. Dr Göd, a Vienna based lithium specialist who has an intimate knowledge of the Austrian Lithium Project, will be a valuable addition to the management team as the company advances the Project. Dr Göd who has an intimate knowledge of the Project, has also published several geological papers on the deposit.

About the Austrian Lithium Project

Overview

The Austrian Lithium Project is located in Carinthia, 270 km south of Vienna, see Figure 1. The project is 20 km from Wolfsberg, an industrial town.

The Project is contained within valid exploration and mining licenses.

The previous owners of the Austrian Lithium Project (prior to East Coast Minerals) owned the project since 1991, and kept the mine on care and maintenance during that time. Prior to that, the project was owned and developed by the Austrian Government, which expended substantial time and money on drilling, underground development and mineral processing studies. It is estimated that over €8 million has been spent on the Project to date. Despite the extensive work undertaken on this project, the mine was not developed at the time based entirely on the low Lithium price.

The Project is pegmatite hosted and has an Inferred JORC Resource of **18 million tonnes grading 1.6% Lithium Oxide ("Li₂O")** with a further initial exploration target of **8 to 12 million tonnes with a grade of 1.5-2% Lithium Oxide ("Li₂O")**.

Exploration to date

Inferred JORC Resource of 18 million tonnes at 1.6% Lithium supported by:

- 35 surface trench excavations with 200 samples
- 64 surface diamond drill holes for 12,012 metres
- 37 Underground diamond drill holes for 4,715 metres
- 1,607 assays
- Drilled to 450 metres. Ore body remains open.
- Pegmatite veins are up to 5.5 m wide
- Exploration Target 8-12 million tonnes grading 1.5-2% Lithium*

** 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.*

Mining

Trial mining from 1985 to 1988 achieved the following:

- 1,389 metres of decline (4m x 4m)/drives and crosscuts which access the ore body

- 2 trial stopes completed, cut and fill method and long hole retreat method
- Verification of deposit
- Rock Mechanics and geotechnical studies completed
- Mining economics and efficiency study completed

Metallurgical/Processing

- 1982-1987 at Carolina State University: Optimisation of flotation process
- 1988 Pilot plant test:
 - Jaw crusher, Cone crusher, Rod Mill, Hydrosizer, Grit separating device Discard and Mica produced at this stage
 - Spodumene Flotation, Secondary cleaning, Magnetic separation
 - Feldspar, Quartz, Spodumene produced at this stage
- Austroplan 1988 Laboratory scale tests: Spodumene Concentrate to Lithium Carbonate. 93% Recovery
- Processing and pilot plant studies completed
- Products produced based on a mining and processing rate of 150,000 tonnes per annum (TPA)
 - 25,000 TPA Spodumene Concentrate (6% Li₂O)
 - 49,500 TPA Feldspar
 - 24,500 TPA Silica Sand
 - 3,375 TPA Mica

Key Project Features

- Close to road, rail and cities at Wolfsberg and Deutschlandsberg
- Significant land holding of exploration licenses with application mining permits
- 18 million tonnes of inferred JORC resource with substantial exploration upside with ore body remaining open at depth and along strike
- Mining was undertaken and Permitting was in place in the 1980's for trial mining, 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 Strategy

- Re-estimation of Resources for MHP (Mica Hosted Pegmatite) and AHP (Amphibolite Hosted Pegmatite) ore types.
- Complete a mine design and engineering, mineral processing study to define JORC Reserves for MHP and AHP ore types.
- Costings for plant design for Spodumene Concentrate and also for costings and plant design for upgrade to Lithium Carbonate.
- Explore all uses of by-products. Quartz, Feldspar, Mica. i.e is quartz pure enough silica to make silicon.
- Complete a Definitive Feasibility Study into operation of 0.5-1 million tonne per annum (Mtpa) mining operation.

- Design a drill program for MHP above 450 metre in the parallel lode. Design a program for below the 450 metre targeting AHP and MHP.
- Target the new zone of spodumene (Lithium) boulders from service with trenching.

Other Projects

Below is a brief overview of East Coast's other projects:

Elizabeth Hill (69.88%)

ECM holds a 69.88% interest in the Elizabeth Hill project through an exploration joint venture operation with Legend Mining Limited (“**Legend Mining**”).

Elizabeth Hill is located 40km south of Karratha in the West Pilbara region of Western Australia. The site of the Elizabeth Hill project was previously an operational silver mine, with approximately 16,800 tonnes of ore grading 70 ounces per tonnes (“oz/t”) mined from the site to produce 1.17 million ounces of silver extracted between 1998 and 2000. After cessation of mining the joint venture parties continued to explore the site for additional resources until 2002.

In 2009, 13 anomalies were identified to be prospective for silver, copper and zinc (base metals). The drill program intersected low tenor silver mineralisation.

Gossan Dam (100%)

ECM's Gossan Dam project is located 300 kms east of Perth. ECM has not yet performed any field exploration, having only conducted historical data research. As yet no resource has been defined in the area, but significant silver mineralisation has been identified by previous operators.

Kurabuka Creek (100%)

Kurabuka Creek is located in the Gascoyne region of Western Australia. The site was acquired based on historical exploration data that indicates potential base metals and silver resources. ECM has recently been granted an exploration license over the area of interest by the Western Australian Government.

Overview of Exchange Minerals Limited

Exchange Minerals is currently a privately held company. Given its private company status there is very little publically available information. It has been proposed that Exchange Minerals will list on the Frankfurt Stock Exchange by the end of the calendar year 2011.

Exchange is a long-standing facilitator and where appropriate financier of grass roots resource project transactions. Exchange has a specific skill in the evaluation of early stage resource projects and converting those projects into successful operations. Exchange considers that it has a sound track record of both identifying the right projects and then finding the appropriate people, corporate support and funding so as to create value for its investors.

Exchange has been involved in several transactions across many geographical locations including Australia, Europe, Greenland and Asia.

Some of the transactions that Exchange and its key personnel have been involved with are as follows:

- assisted in the facilitation of a world class Rare Earths project in southern Greenland for Greenland and Energy Limited in 2007;
- assisting in the acquisition of a gold project in Austria and acquisition by a United Kingdom based publically listed company known as Noricum Limited;
- assisted in the acquisition by Iron Bark Zinc Limited (formerly Iron Bark Gold Limited) and capital raising of a Zinc project in northern Greenland;
- assisting in the acquisition of a Rare Earths project in Greenland known as “Motzfedt” which has been acquired by Ram Resources Limited;
- re-opening of the Koolan Island Iron ore project by Aztec Resources Limited which was subsequently acquired by Mount Gibson Limited; and
- acquisition of the Wo Wo Gap Nickel Laterite project in Papa New Guinea which was acquired by Resource Mining Corporation Ltd.

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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 a consultant to and Director of East Coast Minerals. Ed Mead's services are provided under contract by Doraleda Pty Ltd. Ed 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.

Image 1: Austrian Lithium Project Location

