# ASX / Media Announcement

## 2 February 2012

# NEW DISCOVERY AT THE WOLFSBERG LITHIUM PROJECT

**HIGHLIGHTS**

- **Newly identified "Zone 2" exploration target of 15-20 million** tonnes **@ 1.4-1.6% $Li_2O$**
- **This immediately doubles the exploration potential of the Wolfsberg Lithium Project**
- **Drilling of Zone 2 is pending approval by the relevant authorities.**

Australian-based exploration and mining company, East Coast Minerals NL (**ASX: ECM**) (**"ECM"** or the "**Company**"), is pleased to announce results of phase 1 fieldwork at the Wolfsberg Lithium Project (**"Project"**).

ECM Chairman, Mr Nigel Little has commented on the results from the field work on Zone 2 as follows: *"The identification of the Zone 2 Pegmatite and Spodumene mineralised boulders, significantly increases the potential size of the Wolfsberg Project and re-confirms the importance of this investment to the growth of ECM and our view of the significant strategic importance of the project to Europe"*

Fieldwork by Dr Richard Goed has shown (Figure 1) that the ore potential for the newly identified "Zone 2", based on the distribution of observed mineralised boulders and their extended occurrence, is similar to Zone 1. An exploration target at Zone 2 of 15-20 million tonnes @ 1.4-1.6% $Li_2O$ been identified based on field observations. This potentially doubles the exploration potential of the Wolfsberg Lithium deposit. Currently Zone 1 has an inferred resource of 18 million tonnes at 1.6% Lithium Oxide, with an exploration target of 8-12 million tonnes @ 1.4-1.6% $Li_2O$, along strike and down dip extensions. With the inclusion of Zone 2 the exploration target for the project at this stage is 23-32 million tonnes @ 1.4-1.6% $Li_2O$.

The potential quantity and grade of the Exploration Targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Previous surface and underground exploration carried out by MINEREX (Austrian Government) in the eighties focused almost entirely on the pegmatite dykes situated in Zone 1, which represents the northern flank of an East-West striking anticline. The southern flank of the anticline (Zone 2) was identified but little work was undertaken. Recent fieldwork on Zone 2 has shown that the

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area is also prospective, as indicated by the occurrence of spodumene mineralised pegmatite boulders (photo 1). The hinge of the anticline has also been identified in the field (Photo 2).

The Zone 2 area investigated, strikes over 1.4km and reaches from approximately 1500m asl (above sea level) to 1850m asl. The topography is characterised by steep flanks but due to a network of forest roads, access to the area is excellent.

*Photo 1: Zone 2 Pegmatite with hand sized Spodumene crystal in centre of photo.*

The lithology of Zone 2 is identical to Zone 1, and composed of amphibolite's, micaschists and the characterising spodumene bearing pegmatite's. A number of the Zone 2 boulders located are spodumene bearing with crystals that are hand sized as evidenced in photo 1, but overgrowth by lichens and moss makes the identification of smaller spodumene crystals more difficult.

Two areas at Zone 2 of accumulated boulders have been found and represent areas that are prime targets for drilling. The 2 areas are about 650m apart:

- *area 1*, spatially related to the hanging wall of the amphibolite layer, roughly between 1750m – and 1800m asl, bordering the alpine pasture areas; and

- *area 2*, spatially related to the foot wall of the amphibolite layer, roughly 300m NNW of area 1, situated between 1640m and 1680m asl.

Mineralised pegmatites also occur in the footwall micaschists of Zone 1 ("dyke 7", the largest dyke in terms of its lateral extension in Zone 1). Taking the general symmetric geological

situation (northern and southern flanks of an anticline), it is therefore reasonable to expect that these dykes also occur in Zone 2. However, due to the steep slopes covered by significant overburden, a dyke equivalent to dyke 7 in Zone 1 has not been observed in the field so far.

Based on fieldwork to date an initial exploration target of 15-20 million tonnes @ 1.4-1.6% $Li_2O$ for Zone 2 has been identified based on the similarities with Zone 1 and the geological setting.

A proposal to test Zone 2 has been submitted to the Board by Dr Richard Goed for approval and subsequent drill testing will be undertake once the necessary approvals have been given by the relevant authorities. Kärntner Montanindustrie GmbH ("**KMI**") has submitted an application to the mining authorities for approval and is also able to provide a drill rig.

A systematic surface sampling program will be initiated in spring. Samples from the Pegmatite boulders will be submitted to a laboratory for assay. The results of the assays will test the presence of smaller Spodumene (the lithium mineral) crystals.

*Photo 2: The hinge axis between Zone 1 on the left and Zone 2 on the right.*

(END)

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**About East Coast Minerals**

East Coast Minerals is an Australian-based exploration and mining company listed on the Australian Securities Exchange (ASX: ECM) and the Open Market of the Frankfurt Stock Exchange (Symbol: 9EC, ISIN: AU000000ECM6, WKN: 863804).

**About ECM's Wolfsberg Lithium Project (80% ownership)**

ECM's Austrian Lithium Project, which going forward the Company will be referring to as the Wolfsberg Lithium Project, is located in Carinthia, 270 km south of Vienna (Figure 2). The Project is 20 km from Wolfsberg, an industrial town.

The Project is pegmatite-hosted and has an inferred JORC resource of **18 million tonnes grading 1.6% Lithium Oxide** ("$Li_2O$).

It is estimated that over €8 million has been spent on the Project to date, primarily by the Austrian Government in the 1980s. This work included more than 16,000 metres of drilling, metallurgical and processing studies, 1,389 metres of underground decline and trial mining. Despite the extensive work undertaken on the Project, the mine was not put into production at the time due to the then modest lithium price. With lithium now firmly established as a metal of strategic importance, ECM intends to fast-track the development of the Wolfsberg Lithium Project using established Australian underground bulk-mining techniques.

The Wolfsberg Lithium Project benefits from valid Exploration and Mining Licences. It is close to existing infrastructure and centrally located in Europe. It is considered to be of strategic importance to European manufacturers, and in the view of the Company has the potential to deliver substantial shareholder wealth in both the short and the medium term.

**About ECM's Elizabeth Hill Silver Mine (100% ownership)**

Silver was mined by ECM 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) were mined to produce 1,170,000 ounces of silver. A shallow resource of 7,000 tonnes grading 700 g/t silver (22 oz/t) for 157,000 ounces remains.

**More information:** www.eastcoastminerals.com

## 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.*

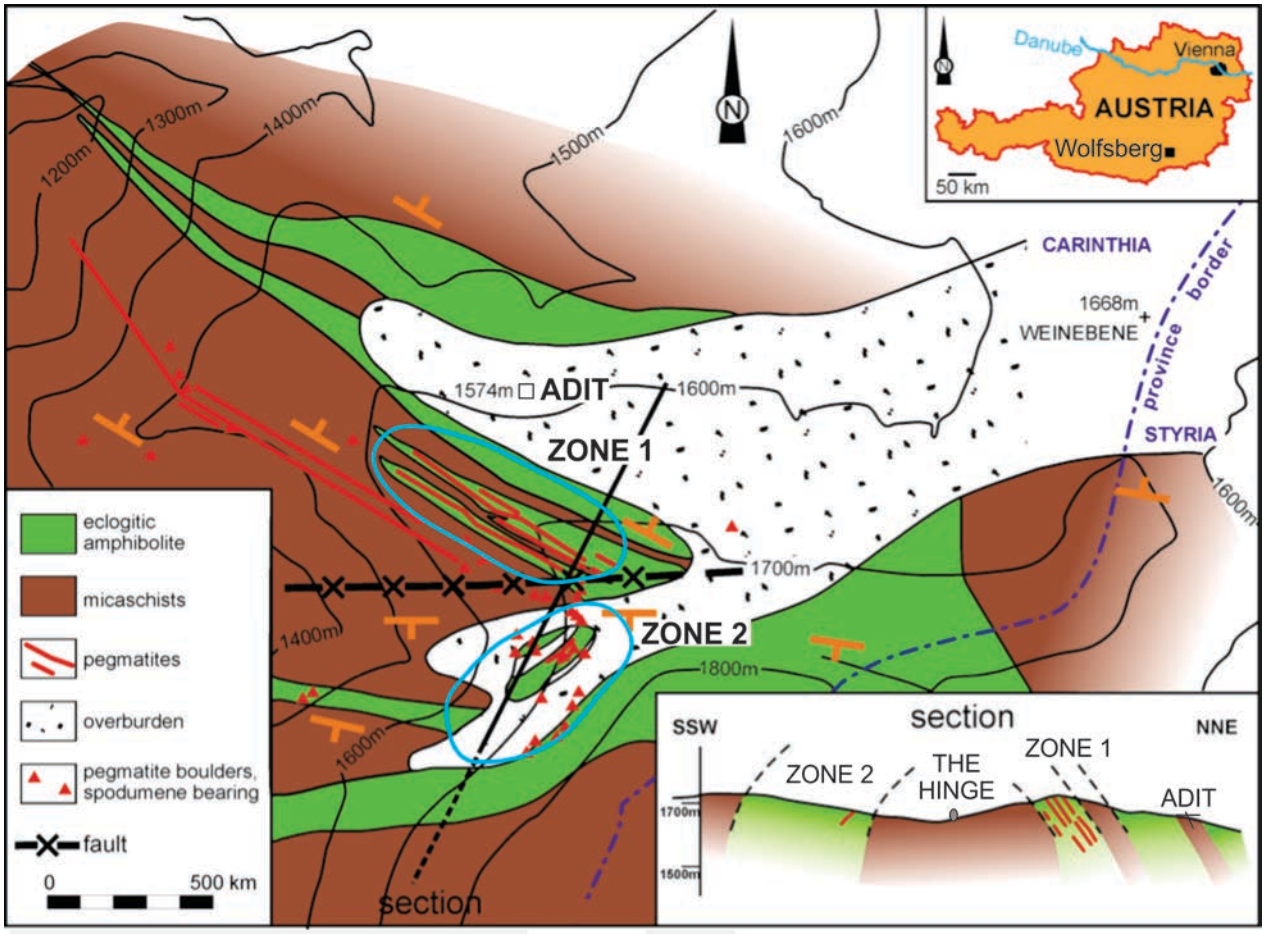


**Figure 1: Mapping over the Wolfsberg Lithium Project**


**Figure 2: Wolfsberg Lithium Project Location**