

ASX / Media Announcement

12 April 2012



March 2012 Quarterly Activities Report

HIGHLIGHTS

- Upgrade of Resource category from inferred to measured or indicated for “Zone 1” currently in progress
- Identification of “Zone 2” with an exploration target of 15 to 20 million tonnes. Drilling program is planned to commence in May / June to validate this target
- Samples taken at Elizabeth Hill to identify geochemical anomalies
- Capital raising of approximately AUD 4 million completed
- Board reorganisation and now focused on a clear plan to become operational
- Negotiations were in place to restructure the outstanding deferred consideration payable to KMI and this was settled after the end of the quarter
- Call on partly paid shares and simplification on the capital structure
- Incomplete review of a potential overseas Rare Earths licence

East Coast Minerals (ASX:ECM) (“East Coast” or the “Company”) is pleased to announce the Company’s March 2012 Quarterly Activities Report:

OPERATIONAL

Wolfsberg Project (80% owned)

Background

On the 2 December 2011, the Company completed its acquisition of its 80% interest in the Wolfsberg Project at a cost of €10.2 million. As at the date of this Report, the Company owes the vendor €5.5 million.

The Wolfsberg Project is a Pegmatite Lithium Project with an inferred resource of approximately 18 million tonnes @ 1.6% Lithium (“Li₂O”).

In the period leading up to the acquisition and up to 31 December 2011, the Company undertook a number of activities including the initial setup of the Wolfsberg office and seeking to identify and secure key people in addition to that of Dr Richard Göd. Additionally, Kärntner Montanindustrie GmbH (“KMI”) have been appointed as the Austrian mining consultants and drilling contractors.

Overview to Project

The Pegmatite/Spodumene deposit is situated within the "Koralpe", a North-South trending mountain ridge reaching a maximum height of 2,117 metres above sea level ("Grosser Speikkogel"). The ridge forms the boundary between the province of Carinthia to the West and the province of Styria to the East. The deposit lies 20km East of the township of Wolfsberg, the political and administrative center for the district.

The area investigated lies approximately between 1500m and 1800m above sea level on the Eastern slopes of the ridge and is situated in Carinthia and Styria.

Local Geology

The area of interest is characterized by a sequence of quartzitic, locally kyanite-bearing micaschists and of eclogitic amphibolites. An anticline passes the area under investigation, subdividing it into a Northern part, hereafter referred to as "Zone 1" (corresponds geographically to a ridge called "Brandrücken") and a Southern part, referred to as "Zone 2".

The area that was drilled, explored and extensively developed underground in the eighties is located on the Northern slope of that anticline (i.e. the Brandrücken), where the strata uniformly strike West North West - East South East (average 120°) and dips moderately to East North East at an average angle of 60° . In Zone 2, the strata strike South West to North East dipping South East with an average angle of approximately 40° . The anticline plunges East North East ($\approx 45^\circ$) with a moderate angle (55°).

Trenching/costeaning carried out in the eighties indicated an East North East striking fault ($\approx 10^\circ$) on the "Brandrücken" at around 1720m which cuts the pegmatites of Zone 1 to the East. There appears to be an acute angle between this fault and the B-axis of the anticline. However, their relationship, if any, remains open.

This geometry causes the outlines of the amphibolites displaying a North West striking part (Zone 1) and a South West striking part (Zone 2) of the prospective area. Zone 1 thins out to the North West, Zone 2 to the South East.

Figure 1 is an overview of Zone 1 and Zone 2.

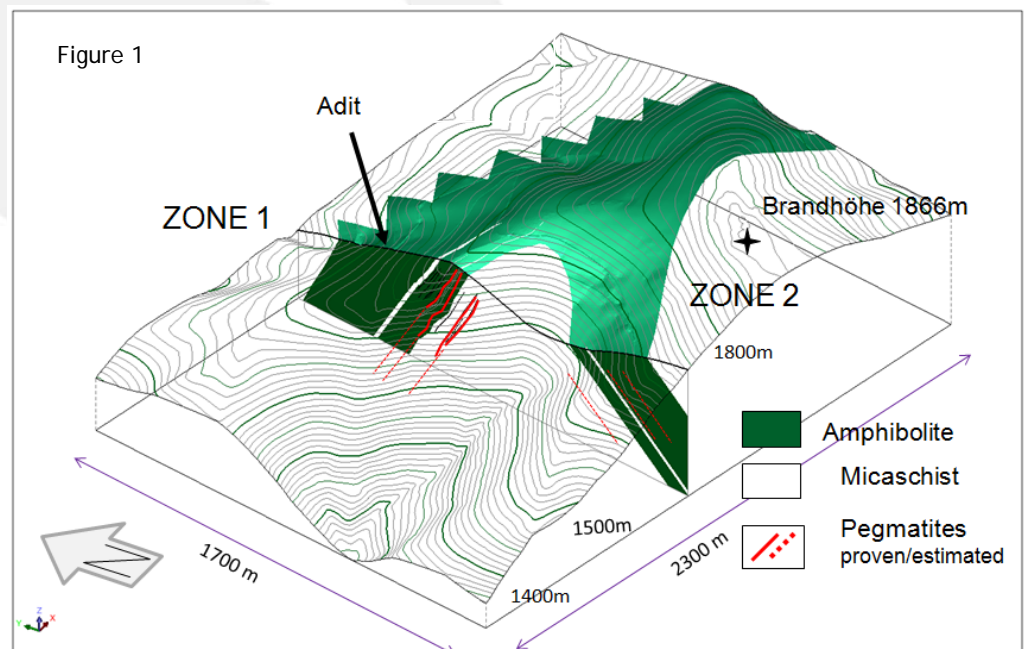
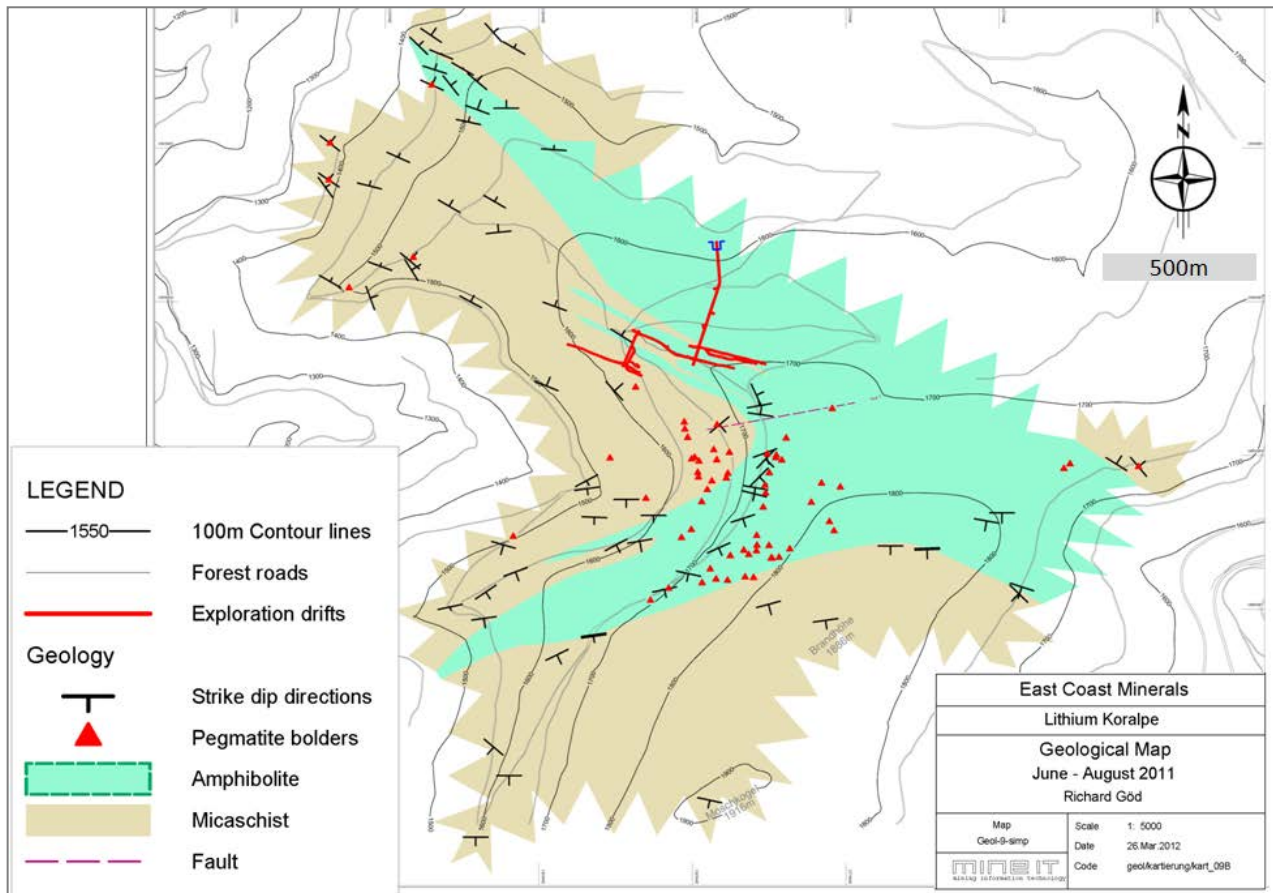


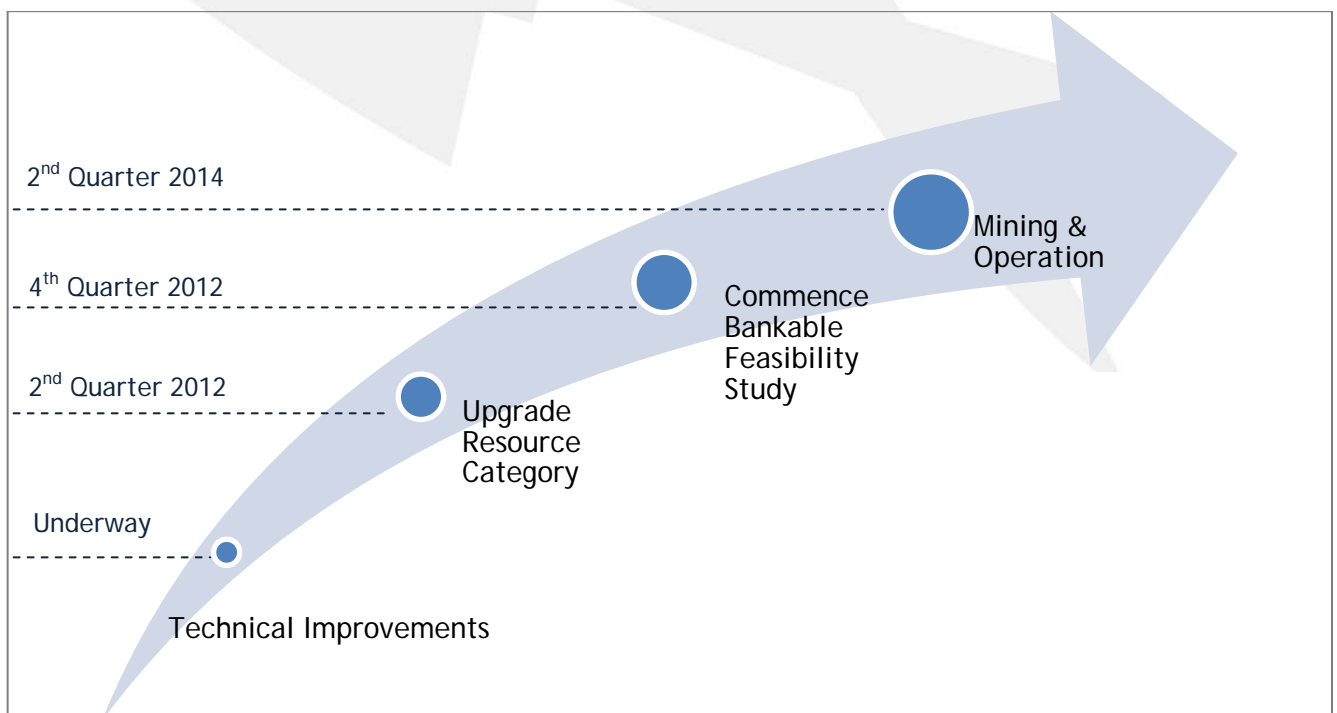
Figure 2 is the mapping of the Wolfsberg Project undertaken by Dr Richard Göd.

Figure 2



Strategic Goals

The Board is focused on becoming operational as soon as practical and has determined the overall strategic milestones for achieving this objective are as follows:



The above timelines are the best estimate currently known by the board and may be subject to change.

Key Activities

Key activities during the quarter were as follows:

Upgrade of Resource Category

The Company has commenced work on advancing the inferred category for "Zone 1" to either indicated and or measured status. The work is being carried out in Austria by appropriately qualified consultants specialising in resource modelling and will be made available for submission and review by a person qualified under the Australasian code for reporting exploration results mineral resources and ore reserves. This report is expected to be finalised during the next quarter. The final timing is dependent upon the level of documentation required by the Competent Person. The Board is mindful of ensuring that the report and its supporting materials meet the standard required to progress to a bankable feasibility study.

Identification of Zone 2

On the 2 February 2012 the Company announced that as a result of field work undertaken by Dr Richard Göd that a potential new ore body existed and was identified as "Zone 2". An initial Exploration Target of 15-20 million tonnes has been identified based on the distribution of observed mineralised boulders and their extended occurrence being similar to that of Zone 1 (the resource identified on acquisition).

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.

Drilling Program

During the quarter, a drilling program has been developed by Dr Richard Göd in conjunction with consultants / staff at KMI. A number of permits were lodged with the mining authority and these permits are pending and will enable the Company to commence drilling. Drilling is expected to start in May / June 2012. KMI have been engaged to undertake the drilling and six drill core holes of approximately 200 metres each are planned. The drilling will validate grade and mineralisation in Zone 2. In addition, Dr Richard Göd has undertaken a series of geological surface mapping exercises over Zone 2.

The purpose of validating the level of mineralisation is to complement the resource identified in Zone 1 and in the medium to long term enable the Company to confidently plan production levels.

Elizabeth Hill Project (100% owned)

During the quarter, 1,612 soil samples were taken at Elizabeth Hill silver and base metal project. The samples have been analysed using the Mobile Metal Ion (MMI) method for geochemistry. The technique was chosen to explore areas of the project which have a thin layer of sedimentary cover. 332 samples were taken on M47/340, 830 samples on M47/341 and 450 samples were collected on the M47/342. The samples were submitted to SGS laboratories. A final report on the results of the MMI sampling program over M47/340-342 is now pending completion by the consulting geologist. Once the report is finalised the results will be announced.

The purpose of the geochemical sampling program is to attempt to identify geochemically anomalous areas at surface. These areas can then be drill tested to look for subsurface primary mineralisation that may be the source of any observed MMI anomalies. The final MMI report will hopefully delineate drill targets for silver, copper and zinc mineralisation.

The survey area covered both the existing shallow silver resource at Elizabeth Hill and the Mustang Prospect. Both areas have known mineralisation. It is anticipated that these areas of known mineralisation will act as a benchmark signature for other potential mineralisation in the project area.

CORPORATE MATTERS

Capital Raising

In the months of February and March the Company undertook a capital raising where Bell Potter Securities were appointed as lead managers. As a result, the amount of \$4,010,000 (before costs) was raised.

The primary purpose of the capital raising is to repay the vendor of the Wolfsberg Project, KMI.

Board Changes

During the quarter Mr Ed Mead and Mr Nigel Little resigned from the Board and Mr Vince Fayad was appointed to the Board.

The new Board comprising of Mr Sevag Chalabian (an experienced Lawyer), Mr Tony Roberts is a mining engineer specialist with several years of experience and Mr Vince Fayad (an Accounting and Corporate Finance specialist with several years of advising the Company on capital raising and other strategic issues as well as having been actively involved in the acquisition of the Wolfsberg Project) is considered to be equipped to progress the Company so as to meet its objective of becoming an operational producer.

KMI Loan

The Board commenced negotiations during the quarter with KMI with a view to enhance the Company's position in relation to the conditions that existed in relation to the deferred consideration of €5.5 million outstanding as at the end of the quarter. This matter was resolved after the end of the quarter and was subject to a separate announcement dated 12 April 2012.

Elizabeth Hill

On the 13 February 2012, the Company announced its intention to review its investment in Elizabeth Hill with the view to maximising shareholders wealth by either entering into some form of joint venture arrangement, or spin-out via an initial public offering. To date, the Company has not been successful in achieving any form of resolution for this investment. This strategy is under constant review and in the event that it is not successful, the Board will review the long term strategy for this asset.

Partly Paid Shares and Capital Management

During the quarter the Company announced that it was going make a call for the whole of the outstanding amount of the partly paid shares. The purpose of making the call is to raise additional funds as well as simplify the capital structure of the Company. Additionally, the Company also announced the redemption of the 32 million convertible preference shares issued to the Directors and the cancellation of the 90 million options issued to Exchange Minerals Group.

These actions also represent further actions required to simplify the capital structure of the Company.

Acquisitions

During the quarter the Company commenced a review of a prospective Rare Earths license. At the date of this Report the review is incomplete. Further details will be made available as soon as they come to hand.

(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 1). 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** ("Li₂O").

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. Mr Mead was a former 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: Austrian Lithium Project Location