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Chairman's address to the East Coast Shareholders

Ladies and Gentleman,

It is with great pleasure that I welcome you here today to the East Coast Minerals NL ("East Coast") general meeting of shareholders. The meeting is for the approval of the acquisition of the Austrian Lithium Project and the issue of shares to Exchange Minerals Limited and Exchange Minerals (Holdings) Limited ("Exchange Minerals"). I apologise for not being able to personally attend this historic meeting but unfortunately, my personal circumstances do not permit me to travel to Australia on this occasion.

As you will be all aware, immediately following this meeting of shareholders, we will then hold our Annual General Meeting. Accordingly, I propose to cover off in this address both matters relating to the acquisition of the Austrian Lithium Project and the annual general meeting.

Before looking forward, I will take this opportunity to review the key highlights of the 2011 financial year. In short, 2011 can be described as a year of change. The key highlights included:

- finalisation and termination of the dispute with the former minority shareholders of Energie Future;
- issue of the convertible notes to Exchange Minerals and the subsequent conversion of those notes into ordinary shares;
- successful raising of \$2.61 million;
- appointment of Tony Roberts and myself to the board and the resignation of Graham Libbesson from the board;
- relocation of head office to Perth and establishment of a London office;

- dual listing on the Frankfurt Stock Exchange; and
- entering into the acquisition of the Austrian Lithium Project from Exchange Minerals.

At this point, I would like to personally thank the former chairman, Mr Graham Libbesson for his contribution to the board, including his endeavours in dealing with difficult issues that faced East Coast during the dispute with Energie Future minority shareholders and his efforts in resolving that dispute and taking the company forward.

The merits of the Austrian Lithium Project have been well documented in the Explanatory Memorandum that accompanies the notice of meeting with the notice of meeting. However, it is useful for me to again highlight some of the key features of this outstanding project:

- an inferred resource with 18 million tonnes with a grade of LiO₂ of 1.6%;
- substantial expenditure in excess of (Euro) €8 million being spent on the project in the 1980's by the Austrian Government.
- there are no royalties or other taxes payable to government authorities;
- Austria is a country with low sovereign risk and is pro mining with a significant mining history;
- the location of the project provides for access to roads, power and a strong and highly educated labour force;
- as indicated below, lithium is and has been a strongly performing commodity and provides for sound investment fundamentals in the future; and
- the project comes with one of the worlds leading lithium experts and the geologist who was intimately involved in the project in the 1980's, Dr Richard Göd.

I would like to also make the following observation in relation to lithium:

- it has been a strong performer since 2000;
- the battery market which is a key user of lithium has grown at 20%pa;
- the demand for Lithium has been increasing at 7-10%pa, whilst supply has been growing at 4%pa;
- European Demand is 28% and all Lithium is imported. Currently, there are no domestic producers.
- a new growth sector is Lithium alloys for the aeronautical/aviation industry. This can make planes stronger, lighter, smoother, more efficient and economical therefore cheaper to run as they use less fuel;

- Lithium alloys are at the demand stage that Lithium batteries were in 2000. Accordingly, a significant increase in demand is expected;
- future demand is being aided by government policies for greener technologies and renewable energy which the lithium battery market can store; and
- Lithium is not recycled and is a consumable. Consequently, continued production at current and increasing levels is required to meet demand.

It is worthy to note that the acquisition of the Austrian Lithium Project has taken much longer than we all expected. There are a number of reasons for this including:

- the complex cross boarder legal hurdles; and
- gaining approval from the Austrian mines office for the transfer of the licences.

Notwithstanding the above, your Directors have been undertaking a significant amount of work in anticipation of the approval by shareholders of the acquisition and issue of shares. The achievements to date include:

- opening of an office in Wolfsberg Austria;
- commencement with interested parties with discussions in relation to "off take" agreements;
- commencement of the preparation of a detailed mine plan;
- preparation for a drilling program to be undertaken in the forthcoming winter season; and
- facilitation of a competent person report.

The above work provides for a foundation for East Coast as the majority shareholder of the Austrian Lithium Project. However, the Board is conscious that the above is only the start and with this in mind, plans are under the way in which to take the project to exploitation as soon as possible. To this end, plans are currently in place for the following:

- executive director Tony Roberts will primarily reside in Wolfsberg from early 2012. This will enable on site coordination of mine development plans with technical consultants and the Austrian Mining Authorities. General overseeing of the initial drilling programme and to explore and pursue offtake opportunities with established contacts.
- recruitment of a Chief Executive Officer who will facilitate taking the project forward;
- consideration for a listing on the London Alternative Investment Market (otherwise known as "AIM"); and

- further capital raisings.

With the above achievements, your Directors believe that East Coast is well positioned for the future.

I would take to take this opportunity to thank my Board for their dedication and hard work in what has been an extremely difficult, but successful year. I would also like to thank our major shareholder, Exchange Minerals for its support that it has provided and without such support, it is fair to say that East Coast would not be in the position that it is today.

Finally, I would take this opportunity to thank many of our loyal shareholders and I wish them a happy and safe festive season and I look forward to your continued support in what promises to be an exciting year in 2012.

Yours sincerely

Nigel Little
Chairman

