



ETHAN MINERALS Limited
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ASX/MEDIA RELEASE

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QUARTERLY ACTIVITIES REPORT

Perth based explorer, **Ethan Minerals Limited (ASX:ETH)** is pleased to present to the market its Quarterly Activities Report, detailing the active quarter, with work completed across Zambian and Australian project areas.

ZAMBIA

During the period, the Company focused on ownership issues concerning the Zambian licences. These issues were clarified and announced by the Company on 16 February 2011.

Zambian Project Update

Highlights:

- Ownership of projects restructured
- Manganese ore mining continues
- Geological team active in Zambia.

Zambia Joint Venture

During the quarter, the Company announced a significant increase in the Company's land holdings in Zambia, as well as restructuring the agreements with Mr. Jazzman Chikwakwa ("Jazzman") into a Joint Venture. Under the terms of the Joint Venture, Ethan has substantially increased its ground holding to more than 700km². The tenements are a mix of prospecting and mining leases. The projects and their areas are summarised in the table below.

| Project | Area (km2) |
|-------------|------------|
| Kafwa | 360 |
| Mkushi West | 129 |
| Kampumba | 230 |
| Mansa | 2 |
| Total | 721 |

Under the new agreement all leases will be transferred to Ethan's subsidiary, Allegra.

Under the new agreement, the Company will not have to pay the previous royalty of \$US30 per tonne of manganese ore. Instead, the Company will make a \$US1.5 million payment with a further payment of \$US1 million within six months, with an additional payment of \$US 2.5 million within 12 months. Mr Jazzman will also be issued 1 million fully paid ETH shares and will also receive 25% of Allegra Mining.

Manganese Mining

The Company continues stockpiling manganese ore at a rate of 6,000t per month. The operation may be expanded to 20,000T per month in the future. The run of mine grade of the ore is between 50.5 and 51.5% Mn.

The bulk product will be mined and sold at "mine-gate" thus relieving the Company of incurring transportation and haulage costs. The Company is currently negotiating further long term Manganese sales contracts. These negotiations are continuing.



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Ongoing geological work

The Company's geological team undertook geological mapping and sampling of the outcrops of manganese ore contained on the projects. The aim was to define surface and near surface material that may be amenable to surface mining. Recent samples from Mkushi submitted to the Zambian Ministry of Minerals Development, for the purposes of supporting export licence applications have returned the assays as shown in the table below.

| Mn % | Fe % | Cu % | V % | Ti % |
|-------|------|------|------|------|
| 50.55 | 0.32 | 0.12 | 1.06 | 1.8 |

On completion of this work, a programme of shallow drilling will be completed to establish a JORC compliant resource estimate of the manganese ore. The timing of this program is dependent upon drill rig availability in Zambia.



Image 1, Map of Ethan's Project Areas, Zambia



Image 2, Mary Spring's Project Area

AUSTRALIA

Northampton Base Metal Project

The Company has continued regional exploration throughout its 2,000km² Northampton Project to locate additional lead, zinc, copper and/or gold in addition to the resource at Mary Springs. During the quarter, the Company's independent consultants have commenced creation of a digital database of all available historic exploration and mining data. This includes all available underground survey, mining, sampling data as well as all available drilling and surface sampling. In addition, available geophysical data is also being compiled. This data will be integrated into a consolidated database. Once completed, a three dimensional exploration targeting program will be completed, prior to further drilling outside the Mary Springs resource.

At Mary Springs, the Company has planned a brief RC drilling program. This is designed to close off the resource up dip and partially along strike. Additional drilling will be required at Mary Springs later to fully define resources. Alternatively, the Company is considering a Joint Venture with a mid tier producer. In addition, the Company has planned a reconnaissance sampling program designed to locate mineralisation in areas not previously explored. This will focus away from the known historic mines and prospects.



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INDONESIA

The Company is reviewing its involvement in Indonesia and may withdraw from further exploration.

Trading Halt / Suspension

The Company recently requested a voluntary trading halt and a subsequent suspension from trading until its half year audit review and results could be completed. Several proposals for equity and loan funding as well as long term off take agreements have been received. The Company is reviewing these opportunities and the market will be kept fully informed of any developments.

The information in this update pertaining to mineral resources and exploration results was compiled by Mr. M P Sullivan who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Sullivan is a consultant to Ethan Minerals Limited and has sufficient experience which is relevant to the style of mineralization and the type of deposit that is under consideration and to the activity that 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". Mr. Sullivan consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

For more information please visit www.ethanminerals.com.au

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About Ethan Minerals Limited

Ethan Minerals Limited ("Ethan") successfully listed fully oversubscribed on the ASX on 4th December, 2009 having raised over \$5 million dollars. Ethan is an Australian-based exploration company focused on the successful discovery and development of quality base and precious metals deposits in Western Australia, focussing initially on its Northampton Project, north of Geraldton. The Company's strategy is to develop its lead project, the Mary Springs Project, where a JORC Compliant Inferred Resource of 394,419 MT at 6.5% Pb has been quoted by Independent Consultants, MineMap. Ethan will also look to secure projects that have attractive project economics or prior exploration activity, offering a robust exploration model and are thereby essentially 'drill ready'. Utilising advanced exploration models, coupled with proven analytical and geophysical techniques Ethan will identify and delineate additional drill targets within the Northampton Project in an effort to develop new, commercial base metal projects. Ethan is currently targeting additional prospective opportunities for investment in Africa and Indonesia.