

Announcement

24 December 2010



ABN 82 000 738 885

Key Points

- Amendments to Share Trading Policy

Following the new ASX Listing Rule requirements regarding share trading policies, East Coast Minerals (ECM) has amended its Share Trading Policy.

Attached is a copy of ECM's updated Share Trading Policy, which is also available on the Company's website at www.eastcoastminerals.com.au.

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About East Coast Minerals

East Coast Minerals NL (ASX:ECM) is an Australian based exploration company, which listed on the ASX in 1970. The company has interests in the Pilbara region of WA, where it is exploring for precious and base metals, and other tenements.

Share Trading Policy - East Coast Minerals

Directors, senior executives, key management personnel, consultants and their employees may acquire shares or options in the Company, but must first have regard to:

- the statutory provisions of the Corporations Act dealing with insider trading; and
- checking whether the Company is in one of its prescribed black-out periods.

Both of these provisions are described in more detail below.

Insider trading

Insider trading is the practice of dealing in a company's securities (i.e. shares or options) by a person with some connection with a company (e.g. an employee) in possession of information generally not available to the public, but which may be relevant to the value of the Company's securities (i.e. unpublished price-sensitive information). It may also include the passing on of this information to another. Legally, insider trading is an offence which carries severe penalties, including imprisonment.

Directors, officers and employees of East Coast Minerals must not, whether in their own capacity or as an agent for another, subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any securities (i.e. shares or options) in the Company, its Subsidiaries or related Companies, or procure another person to do so:

- if that Director, officer or employee possesses information that a reasonable person would expect to have a material effect on the price or value of the securities if the information was generally available;
- if the Director, officer or employee knows or ought reasonably to know, that:
 - the information is not generally available; and
 - if it were generally available, it might have a material effect on the price or value of the securities in the Company; and
- without applying for written acknowledgment.

Further, Directors, officers and employees must not either directly or indirectly pass on this kind of information to another person if they know, or ought reasonably to know, that this other person is likely to deal in the securities of the Company, its Subsidiaries or related Companies or procure another person to do so.

The prohibition on insider trading applies not only to information concerning the Company's securities. If a person has inside information in relation to securities of another company, that person must not deal in those securities. Similar legislation exists in all jurisdictions where the Company's securities are traded.

This policy does not contain an exhaustive analysis of the restrictions imposed on, and the very serious legal ramifications of, insider trading. Directors, officers and employees who wish to obtain further advice in this matter, are encouraged to contact the Company Secretary.

In addition to the general trading restrictions set out in this policy that apply to all employees and consultants, additional restrictions on trading in East Coast Minerals securities apply to the directors, senior executives and key management personnel.

Black-out periods

Given the heightened risk of actual or perceived insider trading, in general, the directors, senior executives and key management personnel of East Coast Minerals may not trade in the Company's securities during the period beginning 7 days prior and ending 1 day after:

- the release to the ASX of the Company's annual financial report;
- the release to the ASX of the Company's half-yearly report;
- the release to the ASX of the Company's quarterly report;
- the release of any other announcement which may be price sensitive; or
- the holding of a general meeting of the Company.

Trading during black-out periods may only be permitted with prior approval of the Chairman (or, in the case of the Chairman, with the approval of the Audit Committee), where there are exceptional circumstances (such as severe financial hardship) and the director, senior executive or key management person is not aware of inside information.

Before trading in the Company securities during periods outside of the black-out periods (where permitted by this policy), the director, senior executive or key management person must:

- advise the Company Secretary in writing of their intention to trade in the Company's securities and whether they intend to enter into, or have entered into, a margin lending or other security arrangement affecting the relevant East Coast Minerals securities;
- confirm that they do not hold unpublished inside information; and
- have been advised by the Company Secretary that there is no known reason to preclude the trading in East Coast Minerals securities.

The insider trading and black-out period provisions will not apply to the exercise of employee/executive options or entitlement offers. Dependant on the circumstances at the time, any potential application of the provisions will be advised in response to a notice to exercise options. The policy does apply, however, to any sale of Company securities acquired on the exercise of options, including sales as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.