

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

East Coast Minerals N.L.

ABN

82 000 738 885

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	18	18
1.2	Payments for (a) exploration & evaluation	(71)	(71)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(363)	(363)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other:		
	Joint Venture Partner Contributions	130	130
Net Operating Cash Flows		(289)	(289)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities (Repayment of loans to Exchange Minerals Limited and representing payments in connection with the proposed acquisition of Potash Holdings Pty Limited).	(163)	(163)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material) Energie Future – final investment	(166)	(166)
Net investing cash flows		(329)	(329)
1.13	Total operating and investing cash flows (carried forward)	(615)	(615)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	(615)	(615)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	608	608
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(85)	(85)
	Net financing cash flows	523	523
	Net increase (decrease) in cash held	(92)	(92)
1.20	Cash at beginning of quarter/year to date	299	299
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	207	207

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	91
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments to related parties include consulting fees and directors fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	2,000 Subject to shareholder approval	1,550
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	Nil
4.2 Development	-
4.3 Production	-
4.4 Administration	353
Total	353

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As at 30 September 2010, there is no amount for projected exploration expenditure to be carried forward. However, in the event that Shareholders approve the acquisition of Potash Holdings Pty Limited (refer to the quarterly activity statement for update), the level of exploration commitments would increase to \$2.034 million.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	207	299
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	207	299

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Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	41,717,538 127,723,923	- 127,723,923	8 cents Fully paid	2 cents Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	24,809,525 11,140,684 4,120,133	24,809,525 11,140,684 4,120,133	2.1 cents 2.63 cents 2.1 cents	N/A N/A N/A
7.5	*Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

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7.7	Options (description and conversion factor)	<p>3,000,000 (options to acquire 3m partly paid shares of 9 cents credited as paid to 1 cent, leaving 8 cents outstanding)</p> <p>6,250,000 (options to acquire 6,250,000 partly paid 'A' shares of 9 cents credited as paid to 1 cent, leaving 8 cents outstanding)</p> <p>3,000,000 (options to acquire 3m fully paid shares)</p> <p>5,000,000 (options to acquire 5,000,000 partly paid 'A' shares of 9 cents credited as paid to 1 cent, leaving 8 cents outstanding)</p> <p>39,929,658 (options to acquire fully paid shares)</p>		<p>Exercise price</p> <p>No cash amount</p> <p>No cash amount</p> <p>20 cents</p> <p>No cash amount</p> <p>4 cents</p>	<p>Expiry date</p> <p>31 Oct 2011</p> <p>27 Nov 2012</p> <p>21 Dec 2011</p> <p>30 April 2013</p> <p>14 July 2013</p>
7.8	Issued during quarter	39,929,658		4 cents	14 July 2013
7.9	Exercised during quarter				
7.10	Expired during quarter	50,000,000 (options were cancelled prior to expiry)		No cash amount	31 Oct 2011
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: .G.Libbesson.....
(Director/Company secretary)

Date: 29 October 2010.

Print name: Graham Libbesson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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