

East Coast Minerals NL (ASX: ECM)
Announcement to the ASX
Quarterly Report for 31 December 2008
30 January 2009



ABN 82 000 738 885

- Program of work approved by DOIR for drill testing of the Elizabeth Hill Mustang anomalies
- Further work at Gossan Dam ELA70/3545 is pending the granting of the tenement application
- Review of the Elizabeth Hill project has identified potential at the Cadgerina Dyke for Nickel Sulphides
- Survey to identify potential silver targets proposed
- The Company will make a fully underwritten call on the Partly Paid Bonus Shares in February

ELIZABETH HILL PROJECT

A Program of work (POW) was submitted to the Department of Industry and Resources (DOIR) for drill testing of the Mustang Anomalies at the Elizabeth Hill Base metal and Silver Project (Figure 1). The proposal was approved and drilling will be attempted in March 2009 at the start of the exploration field season.

Eight (8) proposed drill holes have initially been designed to test in and around the Fixed Loop Electromagnetic (FLTEM) conductor anomalies identified at the Mustang Prospect earlier this year. The anomalies (Figure 2) sit on the northern portion of mining tenement M47/342 at the companies Elizabeth Hill project.

The Mustang Prospect sits between two base metal (Zinc, Silver, Lead, Copper) prospects discovered by Fox Resources in 2007. Fox subsequently did limited drill testing of Sunchaser and Conquest and identified copper and zinc mineralisation. Best intercepts at Sunchaser were 6.1m @ 3.1% Zinc from 28.4m and at Conquest 25m @ 0.52% Copper from 144m. ECM is therefore encouraged by these drill results as the Mustang anomalies are within the same mineralising system.



Figure 1: Location of East Coat Minerals Western Australian Projects

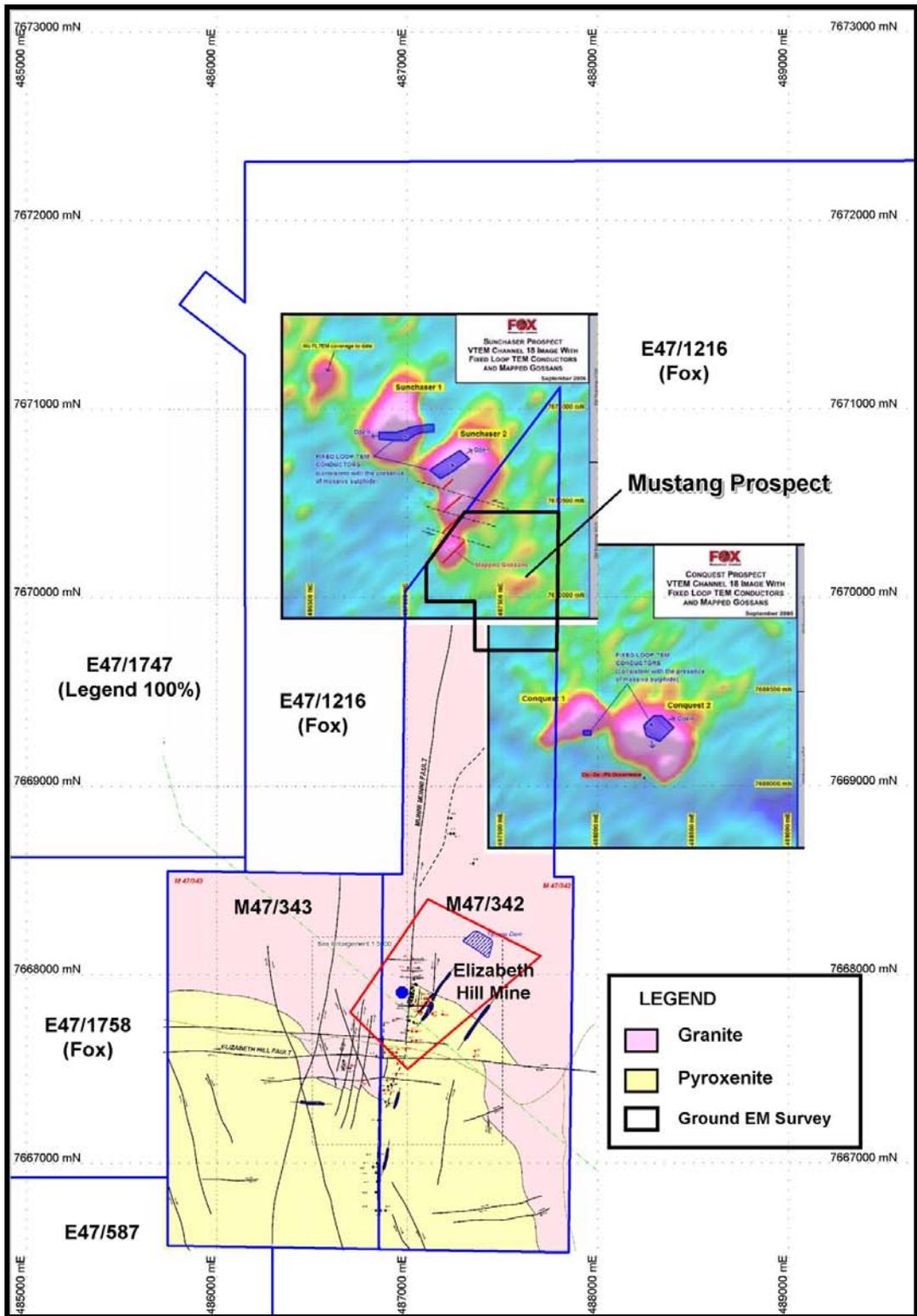


Figure 2: Tenement Location, Fox VTEM and Mustang Prospect EM Survey

ELIZABETH HILL PROJECT GEOPHYSICAL EXPLORATION STRATEGY

An exploration strategy based on geophysics has been formulated to look for silver and other commodities. The aim is to identify further anomalies which may be able to be drill tested in 2009.

Elizabeth Hill Project (M47/342, M47/343)

After a review of the Elizabeth Hill Silver mine and surrounding area, sub-audio magnetics (SAM/TFMMR) has been chosen to assist in the mapping of structures, shear zones, zones of complexity, potential alteration and potentially mineralised zones. An example of an effective SAM survey over a gold target area in the Yilgarn of Western Australia is shown in Figure 3.

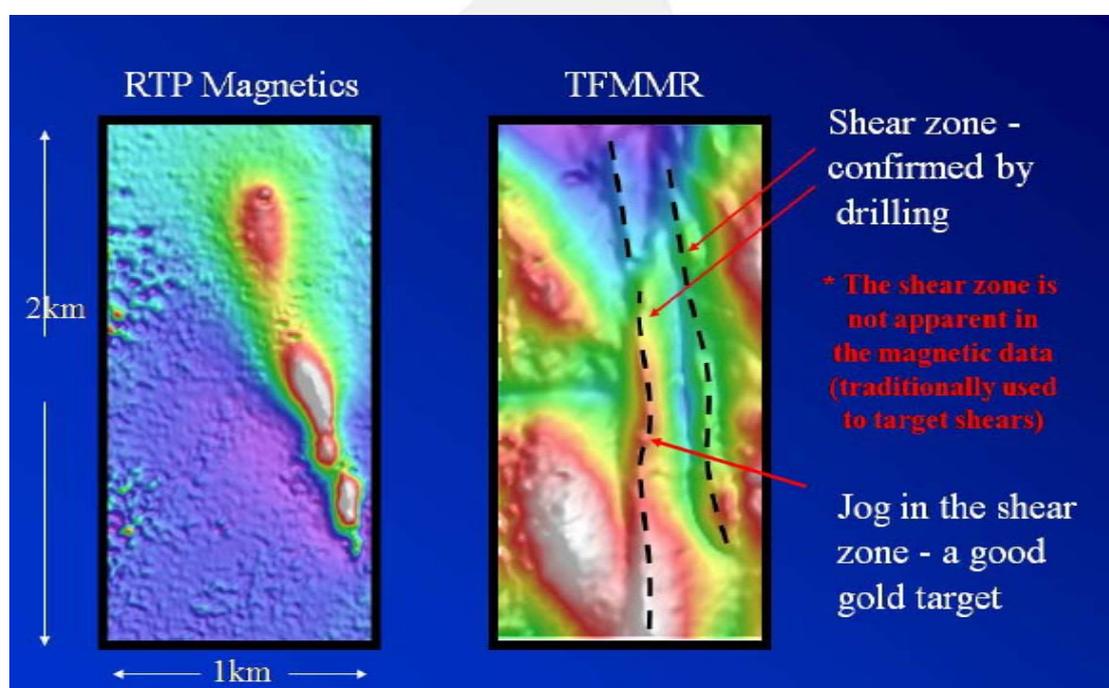


Figure 3: Example of SAM(TFMMR) versus RTP Magnetics

This technique is suited to looking for structures associated with gold mineralisation. This may be useful in looking for Silver around the Elizabeth Hill area as this technique may be able to look for replicating structures that may be mineralised. Elizabeth Hill sits in a jog (refer figure 2) within the Munni Munni Fault and the identification of these structures may be able to define further silver targets.

Cadgerina Dyke Project (M47/340)

The Cadgerina Dyke area is situated 6km west of Elizabeth Hill. A review of existing geophysical data (Figure 4 and 5) was performed in order to define whether any additional geophysical techniques could progress exploration efforts.

The data review indicated that no modern Electromagnetic (EM) surveying had been completed within the M47/340 tenement area. A nickel sulphide occurrence is recorded within the DOIR mindex system, but this needs to be validated in the upcoming exploration field season.

Further work will be undertaken once the survey has been completed.

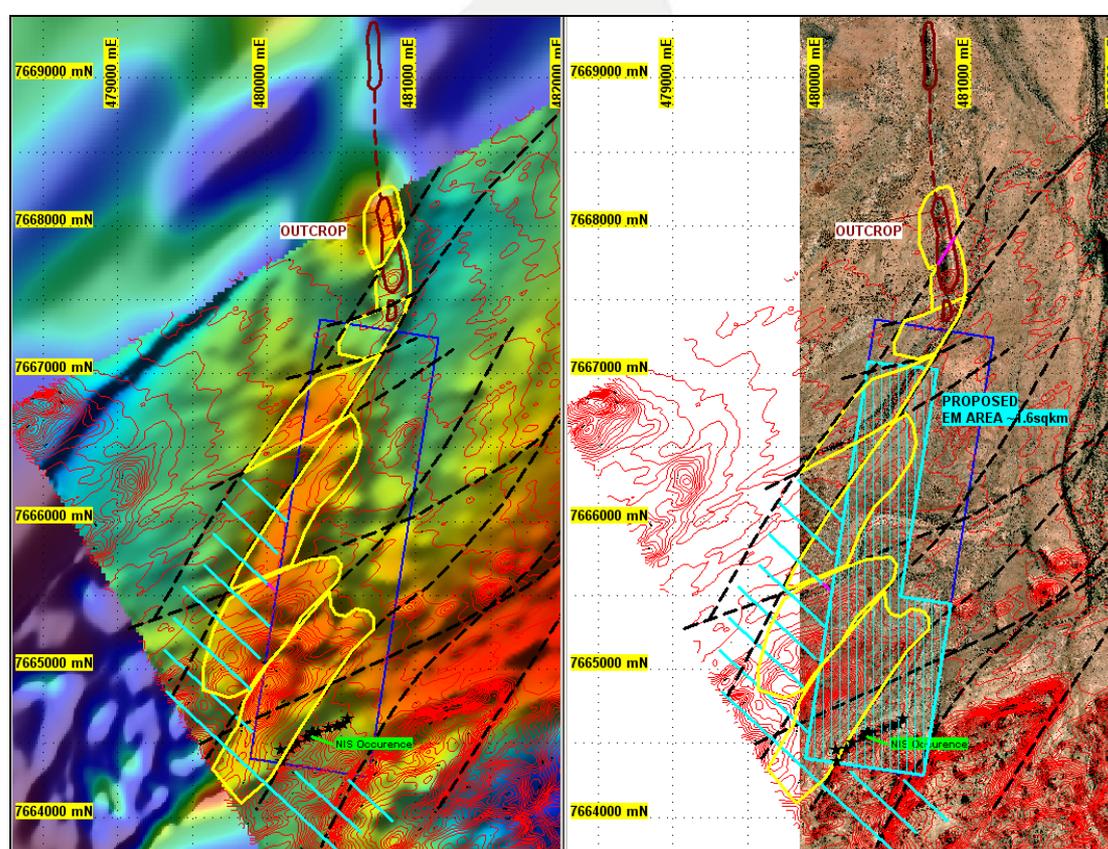


Figure 4: Geophysical Status plan with structural interpretation

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. Ed 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.

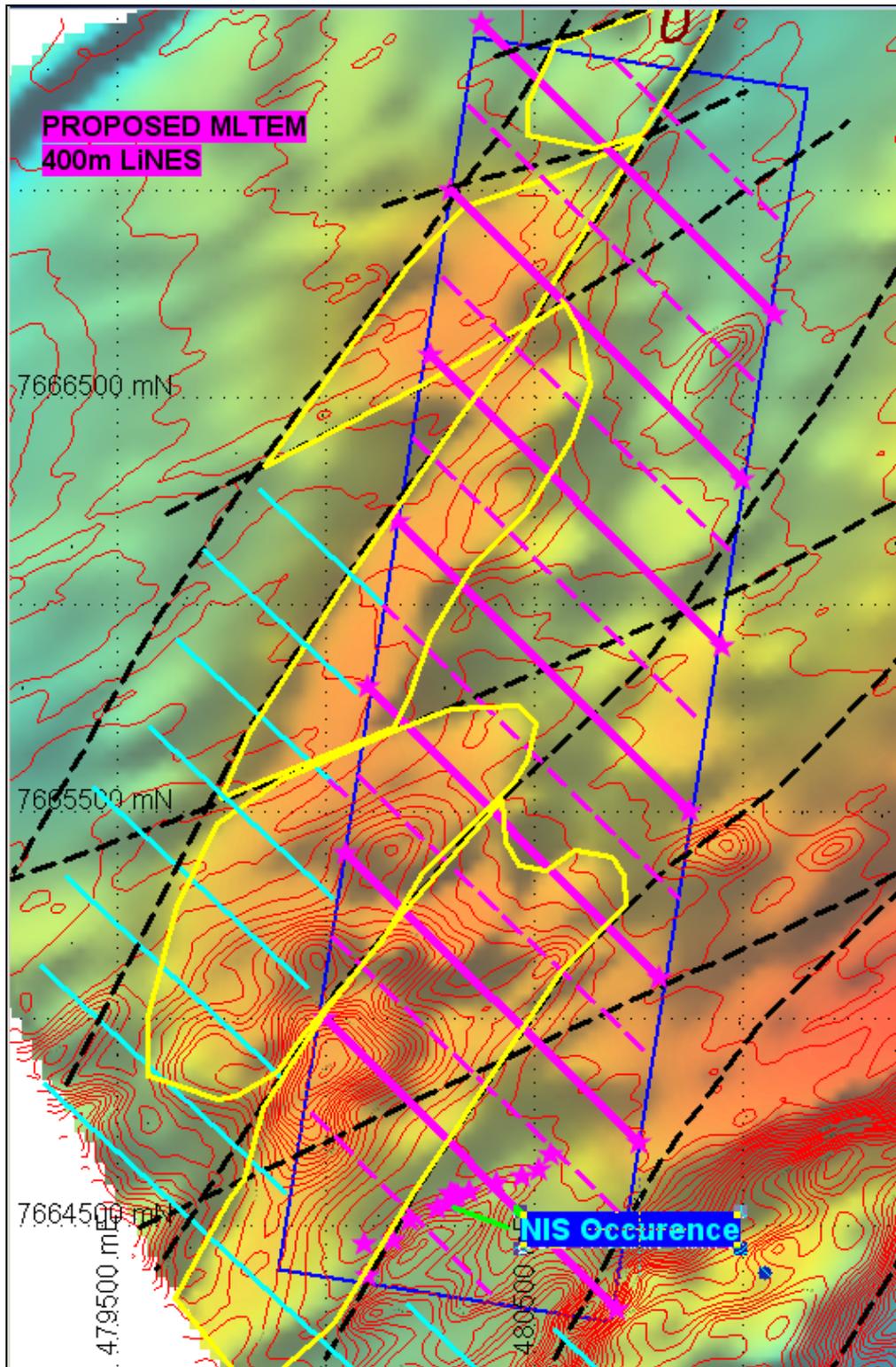


Figure 5: Cadgerina Dyke Project - Proposed MLTEM Surveying 2009

Investments

During the quarter the Company sold its shareholdings in Esperance Minerals NL and Greenvale Mining NL. It has maintained its 15% interest in Minga Pty Limited

Changes in Issued Capital

During the quarter the Company had the following changes in its issued capital:

- 1,402,700 partly paid shares were credited as fully paid pursuant to forfeiture and auction of the forfeited shares;
- 46,495,118 bonus partly paid shares of 8 cents each credited as paid to 1 cent were issued pro-rata to all existing shareholders;
- 53,000,000 options to take up partly paid shares of 9 cents each credited as paid to 1 cent were issued to Gravner Limited (50,000,000) and the directors (3,000,000).

Call on Partly Paid Shares

The directors advise that the company will make a fully underwritten call on the partly paid Bonus shares in February 2009 in order to provide further working capital for the Company. The call will be underwritten by Cunningham Securities Pty Limited.

Richard Sealy
Managing Director

30 January 2009