

East Coast Minerals NL (ASX: ECM)

15 May 2009

Five New Electromagnetic Anomalies Identified at Elizabeth Hill Prospective for Base Metals in addition to Silver



ABN 82 000 738 885

ASX/Media Release

Key Points

- Five electromagnetic anomalies identified within 400m of the Elizabeth Hill mine prospective base metals in addition to silver
- Multi layered geophysical approach (EM and SAM) indicates a new geological model may apply at Elizabeth Hill
- 22 drill holes for 3,050 metres drilling programme proposed for Elizabeth Hill

Elizabeth Hill (M47/342, M47/343)
(East Coast 69.88% Legend Mining 30.12%)

East Coast Minerals (ASX code ECM) previously announced (28 April 2009) that using a Sub-Audio Magnetic Survey (SAM) technique it had discovered seven new silver and base metal targets at Elizabeth Hill, two of which were adjudged anomalous for silver mineralisation. As a result, the directors advised that electromagnetic (EM) surveys would be conducted and that a drilling programme could be expected.

East Coast Minerals is pleased to announce the EM geophysical survey has been a success in identifying five new EM anomalies within 400m of the original Elizabeth Hill underground silver mine.

Silver was mined from the Elizabeth Hill underground mine between 1998 and 2000, with 16,800 tonnes of ore grading at 2,100 g/t silver (70 oz/t) mined to produce 1,170,000 ounces of silver, which at today's prices would be worth AUD\$21 million.

The EM survey was undertaken following analysis of the SAM results to see if any conductors were present within the SAM anomalies. The 5 anomalies located suggest that the volcanogenic massive sulphide (VMS) system may extend north from Elizabeth Hill, up to the Mustang Prospect.

The Geological Model

Previous models for Elizabeth Hill postulated that the silver deposit was emplaced with the Munni Munni Intrusion.

More recent models indicate that the Elizabeth Hill deposit may be the result of the Munni Munni Intrusion assimilating a volcanogenic massive sulphide (VMS) deposit as it was emplaced along an area of structural weakness.

If the latter model is correct then the area between Elizabeth Hill and the Mustang Prospect in the north is potentially a VMS target prospective for silver and base metals.

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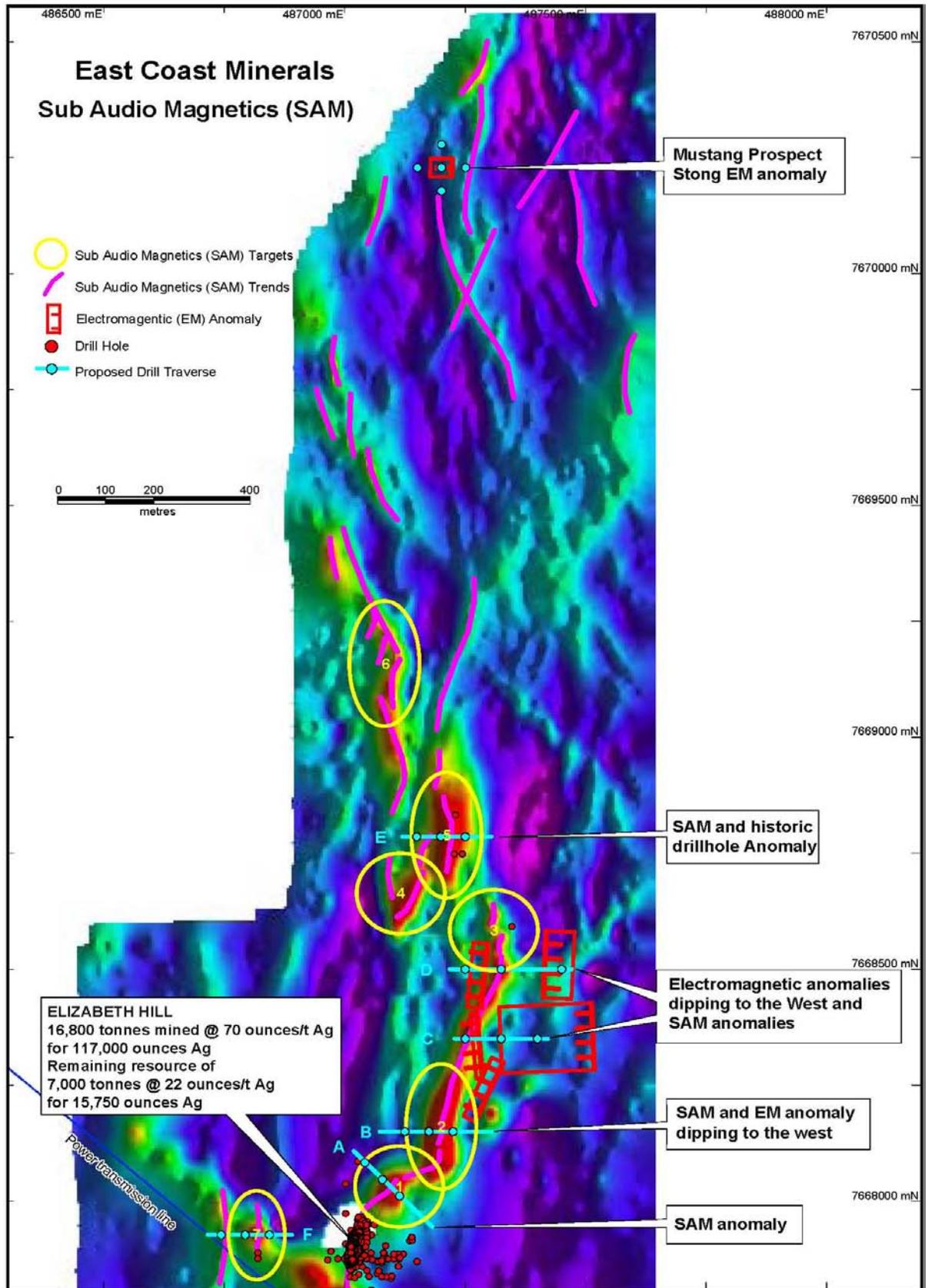


Figure 1: Sub Audio Magnetics (SAM) results with anomalies, EM anomalies, all current drilling and proposed drill traverses.

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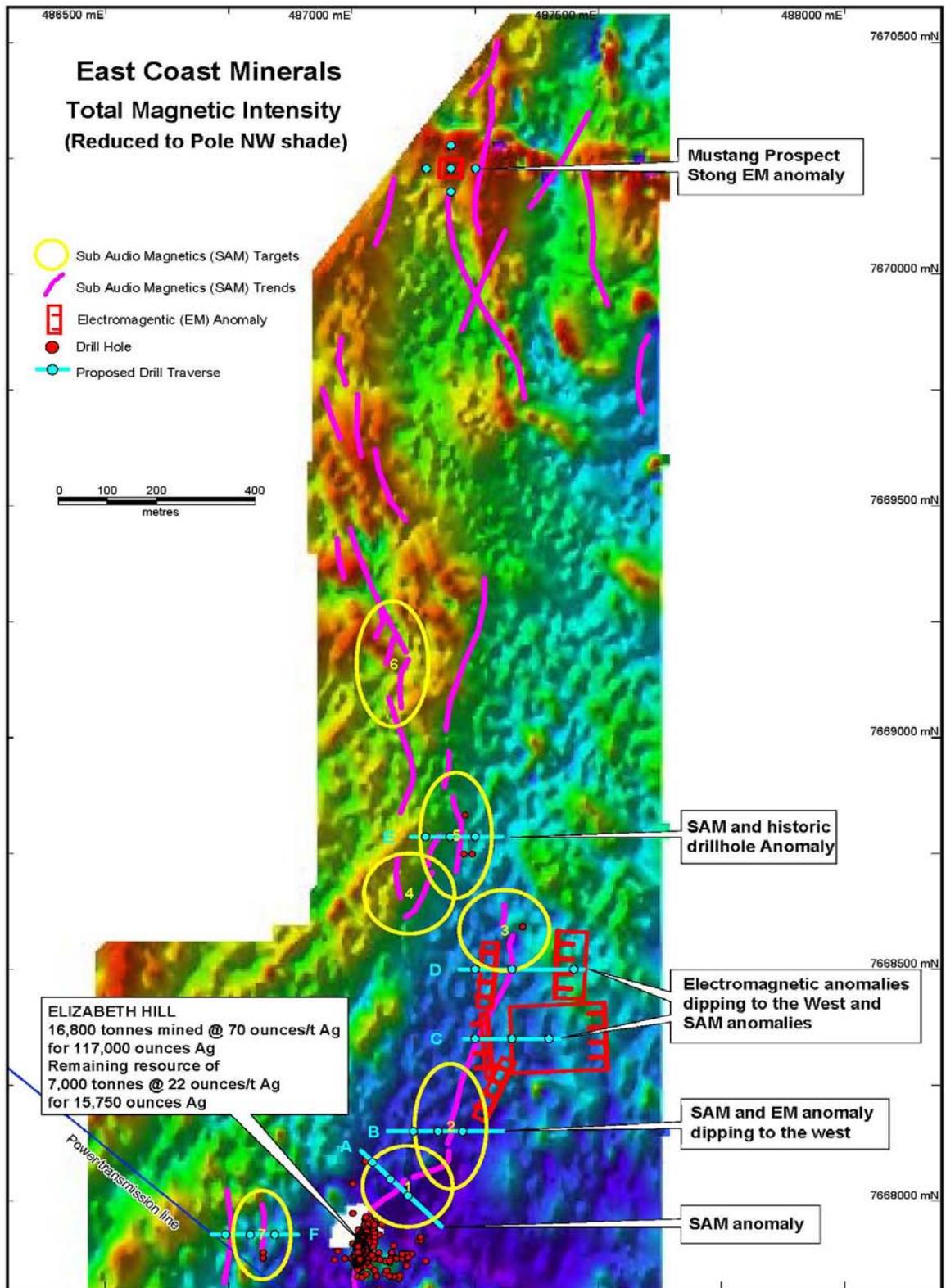


Figure 2: Total Magnetic Intensity (TMI) with SAM anomalies, EM anomalies, all current drilling and proposed drill traverses

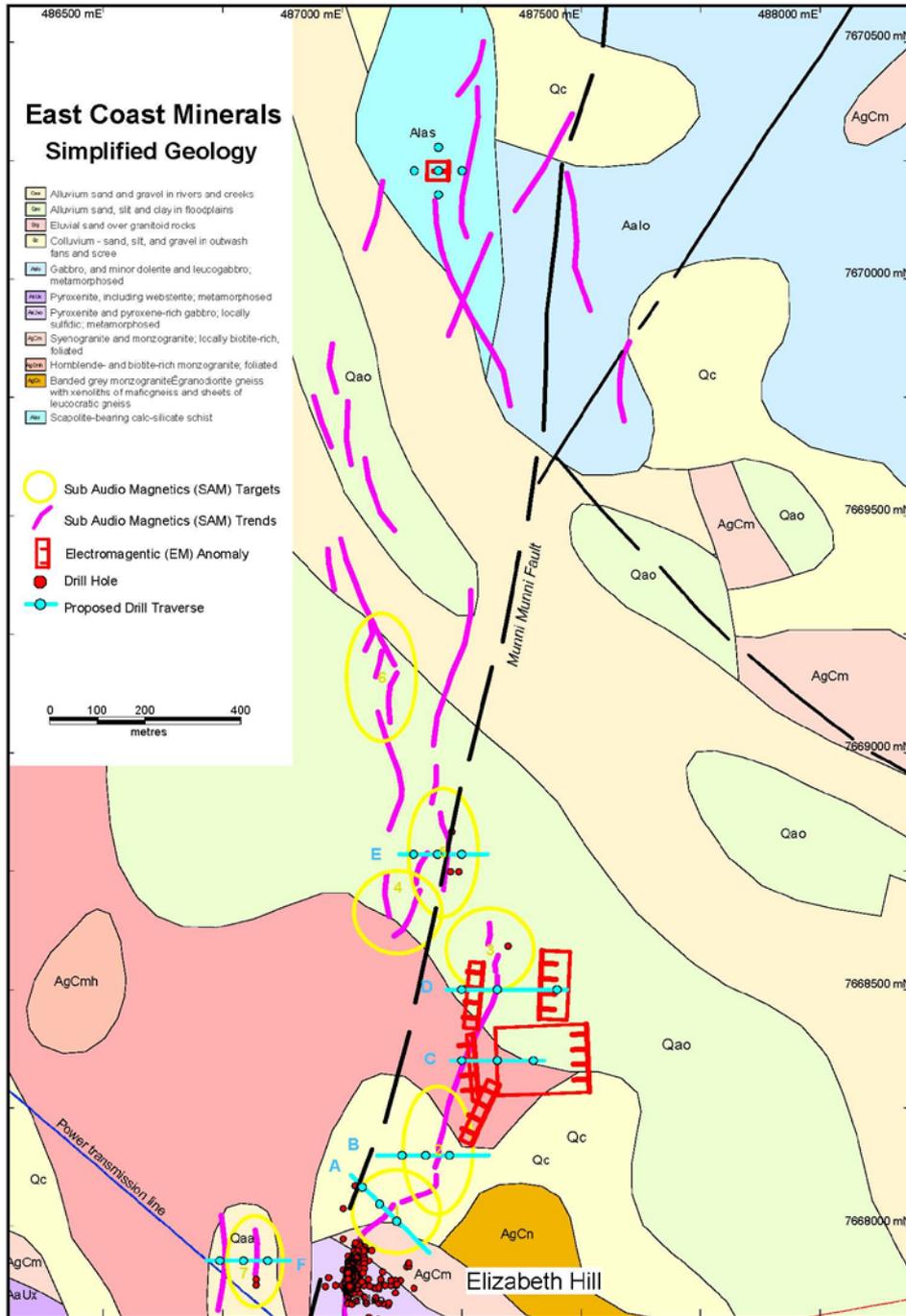


Figure 3: Simplified GSWA 1:10,000 Geology. All recent work appears to have little relationship to geology

Target Drill Traverses and Drill Metres

East Coast Minerals proposes to drill 22 reverse circulation drillholes for 3,050 metres to test the geophysical results (*Figure 4* for cross sections and *Figures 1-3* for drill traverse and drillhole locations). Prior to the commencement of the drilling a programme of work needs to be submitted and a Heritage Agreement needs to be finalised with the Ngarluma Aboriginal Corporation. It is hoped these approvals will be in place within the next quarter.

Traverse A - 3 drillholes for 375m supported by significant SAM anomaly.

Traverse B - 3 drillholes for 375m supported by Strong IP effect, SAM anomaly and weak EM anomaly.

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- Traverse C - 3 drillholes for 600m supported by SAM anomaly and EM anomaly.
- Traverse D - 3 drillholes for 550m supported by SAM anomaly and EM anomaly.
- Traverse E - 3 drillholes for 375m supported by SAM anomaly and silver anomaly in historical drillhole AG11 25m @ 0.82 g/t silver, 0.243% lead, 970ppm barium and 13ppm lanthanum from 19 metres.
- Traverse F - 3 drillholes for 375m supported by SAM anomaly and silver anomaly in historical drillholes EC52 52m @ 19 g/t silver from 48 metres.
- Mustang Prospect - 4 drillholes for 400m supported by shallow EM anomaly immediately adjacent to Fox Resources' Conquest and Sunchaser prospects.

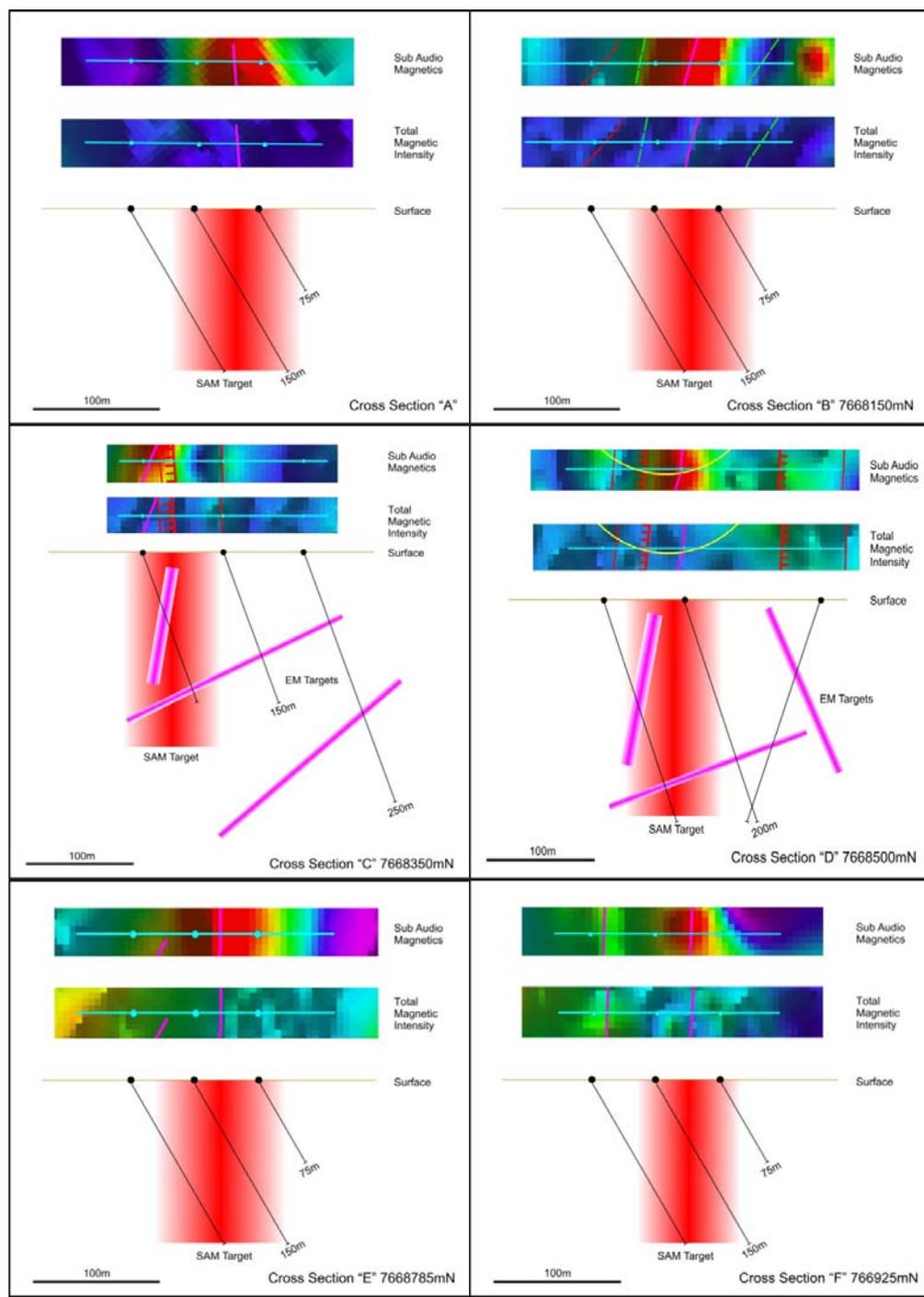


Figure 4: Drill Traverses A-F diagrammatically represented in Cross Section with SAM and TMI plan view slices.

About Elizabeth Hill

Silver was mined by East Coast Minerals and Legend Mining from the Elizabeth Hill underground mine between 1998 and 2000, with 16,800 tonnes of ore grading at 2,100 g/t silver (70 oz/t) mined to produce 1,170,000 ounces of silver which at today's prices would be worth AUD\$21 million.

After mining ceased in 2000, exploratory drilling continued to the south of Elizabeth Hill until December 2002 in an effort to delineate a repeat of the Elizabeth Hill silver deposit but drilling failed to locate any further silver deposits in the southern area.

The area north of Elizabeth Hill was previously regarded as unprospective due to the belief that the area was dominated by granite and as a result virtually no exploration was undertaken in the area.

SAM results have identified the lower grade, remnant silver resource at the Elizabeth Hill Mine (7,000 tonnes grading 700 g/t silver (22 oz/t). This has validated with the use of SAM as a viable technique for identifying a silver resource. SAM has also been carried out over the area south of Elizabeth Hill and no potential targets have been identified in this area confirming the past drilling results.

The Mustang Prospect previously identified by EM is situated between two base metal (zinc, silver, lead and 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.

For further information please contact:

Richard Sealy

Managing Director

Phone +61 413 757 182

richardsealy@eastcoastminerals.com or visit the website www.eastcoastminerals.com

Kevin Kartun

Financial & Corporate Relations Pty Limited

Phone +61 2 8264 1003

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Ed Mead who is a consultant to the company and is a member of the Australasian Institute of Mining and Metallurgy. Mr 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'. Mr Mead consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.