

East Coast Minerals NL (ASX: ECM)

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NEW SILVER AND BASE METAL TARGETS DISCOVERED AT ELIZABETH HILL



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ASX/Media Release

Key Points

- Seven new silver and base metal targets identified
- Two targets show anomalous silver mineralisation
- Discovery could be as significant as the Elizabeth Hill Mine

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

A Sub-Audio Magnetic Survey (SAM) has been used for the first time to search for further potential silver targets at Elizabeth Hill.

In 2000, a giant silver nugget (see *Figure 1*), weighing around 165kg was discovered at the Elizabeth Hill Mine, 40 km south of Karratha at Munni Munni in the Pilbara, West Australia. The specimen is believed to be the largest primary silver mineralisation yet found in Australia.



Figure 1: Giant silver nugget weighing 165kg discovered at Elizabeth Hill

Silver was mined from the Elizabeth Hill underground mine between 1998 and 2000, with 16,800 tonnes of ore mined producing 1,170,000 ounces of silver which at today's prices would have a gross value of AUD\$21 million.

The interpretation of the SAM survey, carried out by Southern Geoscience Consultants, shows a group of previously unidentified anomalies extending north of Elizabeth Hill towards the Mustang Prospect details of which have previously been announced (see Background Information). The area north of Elizabeth Hill was previously regarded as unprospective due to the belief that the area was dominated by granite.

Seven targets with associated high current density have been identified within the northern mining leases (see *Figure 2*).

The use of SAM as a viable technique for identifying a silver resource has been confirmed because the SAM results have identified the lower grade, remnant silver resource at the Elizabeth Hill Mine.

The high current density shown for several of the newly discovered targets is significantly greater than the remaining resource at Elizabeth Hill suggesting the possibility that a deposit at least as significant as the remaining resource at Elizabeth Hill may exist within the mining leases.

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 additional drilling failed to locate any further silver deposits in the southern area. 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.

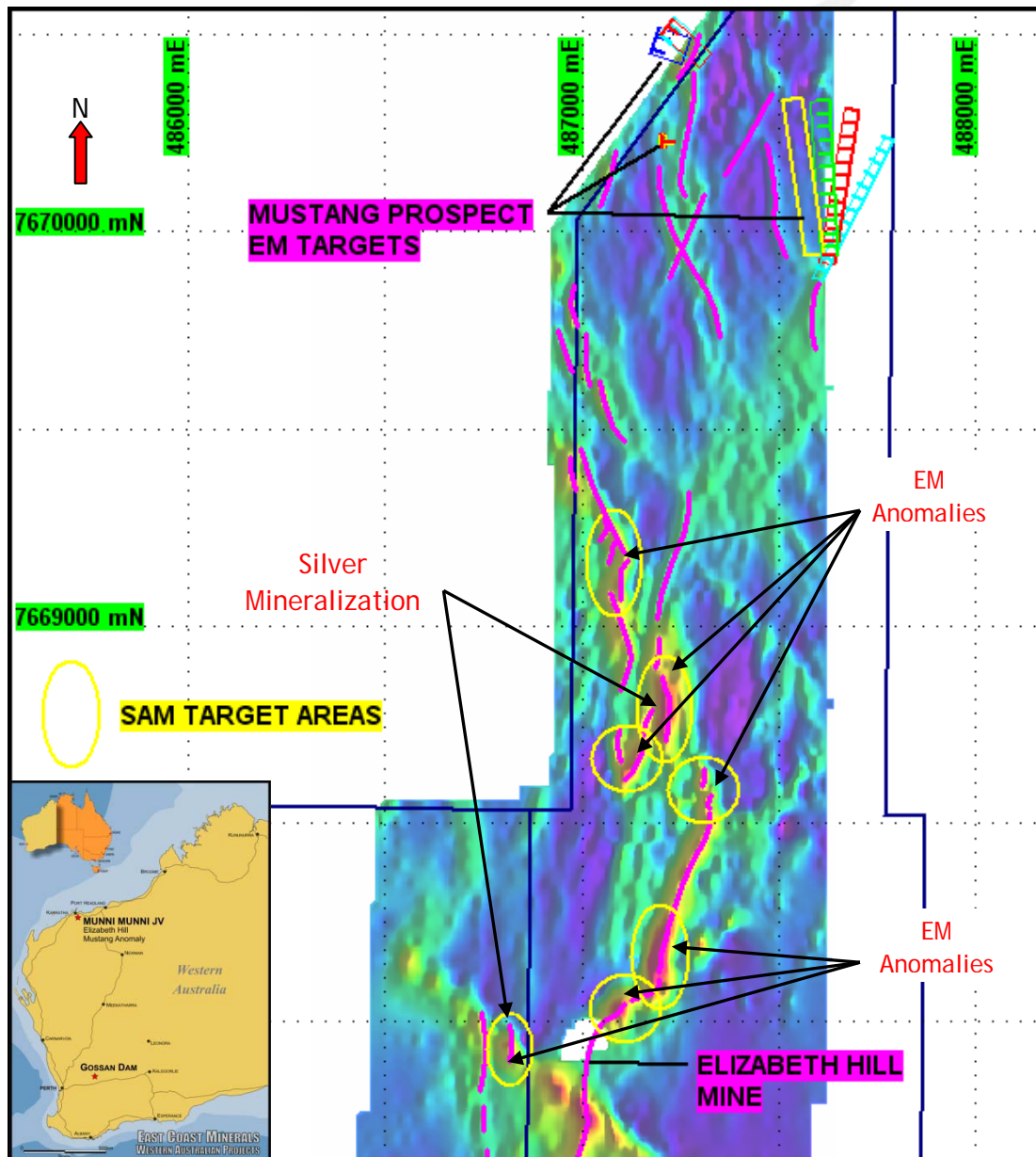


Figure 2: EM anomalies circled in yellow, two targets suggest silver mineralisation

Background Information

The drill targets (see *Figure 2*) have been identified using Sub-Audio Magnetics (SAM). This technique is also referred to as Total Field Magnetometric Resistivity (TFMMR). SAM has the ability to define structural and alteration features, which show up as lower relative electrical resistance than surrounding basement/host rocks.

The anomalous SAM trends are referred to as demonstrating higher current density or stronger current channelling and are shown in magenta with potential target areas circled in yellow (see *Figure 2*). The current density/channelling axis could potentially relate to mineralisation which is relatively more conductive than surrounding rocks.

The SAM results have highlighted the lower grade silver resource that remains at the Elizabeth Hill Mine. The results have also shown a previously unidentified trend extending north of Elizabeth Hill to the Mustang Prospect.

In the northernmost part of the SAM survey area some interesting relationships can be seen, with the previously defined Mustang Prospect electromagnetic anomalies (EM). Further EM work has been planned to infill the area between Elizabeth Hill and the Mustang Prospect as no surface EM has been undertaken here before. The aim of the survey is to see if the copper-zinc-silver Mustang Prospect extends to the south towards Elizabeth Hill.

There are no priority SAM targets to the south of Elizabeth Hill. This is where the bulk of past exploration drilling was undertaken in pursuit of a duplication of the Elizabeth Hill Silver Deposit.

The Mustang Prospect

The Mustang Prospect sits 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. ECM is therefore encouraged by these drill results as the Mustang anomalies are within the same mineralising system.

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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.