

Our aim is to build a company producing 5 million tonnes within 5 years, based upon the substantial coal reserves in the Ukraine, its established infrastructure and the availability of its skilled work force.



Verticalnaya Property

The Verticalnaya Coal Mine in Lugansk, Eastern Ukraine, has been 100% owned by EastCoal Inc. since November 2009. The property is a past producer of anthracite, the highest rank of coal, from the Soviet era. There is substantial existing infrastructure on the property with easy rail access to ports, power stations, and the steel industry of southeast Ukraine. There are two existing shafts on the project: one in operation to 800 level and one not yet equipped accessing coal 1,200 meters below the surface. In February 2011, the Company commissioned the supply and construction of a coal washing plant for the Verticalnaya.

Strong Management

John Byrne

Director, Executive Chairman

Colin Stocks

Director, Technical Director

John Conlon

Director

John Newton

Director

Gregory M. Cameron

Director

Braam Jonker

Director

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Investment Highlights

- Strong board of directors and management team, including John Byrne and John Conlon from Western Coal, who have a combined 60 years experience in the mining industry
- Experienced technical and mining team, including Mr. Boris Perepelitsa as General Mine Manager, a mining engineer with expertise in managing coal mining operations
- Obtained the right to acquire 100% interest in the Menzhinsky Mine from Aponet Enterprises Ltd., an operating coking coal mine located in the Ukraine
- Recently filed NI 43-101 technical report with an optimized plan for the development of the Verticalnaya Project
- Ideal location in close proximity to growing power and metallurgical market, with an extensive rail network from the mines to the port
- The Verticalnaya Project will be comprised of anthracite grades and PCI grades, both with strong world demand, used in cement manufacturing, chemical manufacturing, domestic and commercial heating, sintering of iron ore, sugar refining, and as a substitute for coking coal
- Using the most cost-effective method of processing easily separated coals, with low capital cost, low running cost, and high efficiency
- Net present value of \$615.3 million at a discount rate of 10%
- Estimated average operating cost per saleable tonne of US of \$38.41
- Production should increase in stages to well over 3 million tonnes per annum
- Prospective cash margins of over \$40 per tonne

Coal Mining in Ukraine

Ukraine has experienced strong economic growth and external investment, with good relations among the international community.

Coal has been mined in significant quantities in Ukraine since 1880, with current production of approximately 80 million tonnes per annum. Coal is the most abundant of Ukraine's energy resources. Ukraine possesses world class coal resources in the Donbass Coal Basin, located in its eastern part.

Ukraine is itself a major consumer of coal. Local demand is fuelled by thermal power plants and the active Ukrainian steel industry as well as other industries. There is a growing export market for high quality anthracite coal from Ports located on the Sea of Azov and the Black Sea.

Today in Ukraine there are 142 operating coal mines, with a large available and experienced existing workforce in the industry.



Market Information

TSX-V Symbol:	ECX
52 Week High:	1.10
52 Week Low:	0.32
Avg. Vol. (3month):	352,386
Shares Issued/Outstanding:	195.2 million
Fully Diluted:	211.2 million
Cash Position*:	\$13.2 million

*as of November 2011



Development Plan

- Construction at the Verticalnaya North Project (VNP) commenced in 2010, with drifts reaching the H11 seam; mine production to commence in 2012
- Coal handling and preparation plant has been built under contract in the UK; to be shipped to Verticalnaya
- Production should increase in stages to well over 3 million tonnes per annum with prospective cash margins of over \$40 per tonne
- Plans to extract 30 million tonnes of saleable coal within 15 years
- Products, good quality anthracite, will be sold to industrial, chemical, steel, and power generation industries
- NI 43-101 report projects net earnings rising above US\$100 million per year after 5 years

