



ASX / Media Announcement

29 June 2012

Cornerstone Investor Secured – Cape Lambert Resources Limited and Board Restructure

Highlights

- Cape Lambert has become a cornerstone shareholder of GSZ with a 19.81% shareholding
- Appointment of Tony Sage as Non-Executive Chairman.
- Further restructure of Board and operational activities.
- Exchange Minerals agrees to capitalise its €1.2 million loan for approximately 22 million GSZ shares.

Global Strategic Metals NL (**GSZ**) is pleased to announce that Cape Lambert Resources Limited (**CFE**) has become a cornerstone investor by subscribing for and being allotted 28,019,365 ordinary shares in GSZ (**GSZ Shares**) together with 5,600,000 free attaching options exercisable at 7 cents each on or before 29 June 2014 (**GSZ Options**) representing an initial 19.81% interest in GSZ.

Subject to shareholder approval, Exchange Minerals has also agreed to capitalise the 1.2 million loan owed by GSZ for approximately 22 million GSZ Shares. Following the issue of GSZ Shares to Exchange Minerals CFE will be in a position to maintain its interest in the company if it elects to exercise its GSZ Options.

Outlined below is further information in relation to the transactions with CFE and Exchange Minerals.

Cape Lambert Investment

CFE has subscribed for, and been allotted, 28,019,365 GSZ Shares at an issue price of 7 cents each together with 5,600,000 free attaching GSZ Options exercisable at 7 cents each on or before 29 June 2014 (**GSZ Options**). This values the GSZ Shares acquired by CFE at \$1.961 million and represents a premium of 40% to the last traded price of GSZ Shares.

CFE is an Australian domiciled, mineral investment company. Its current investment portfolio is geographically diverse and consists of mineral assets and interests in mining and exploration companies.

CFE focuses on investment in early stage resource projects and companies. Its "hands on" approach is geared to add value and position assets for development and/or sale. The CFE Board and management exhibit a strong track record of delivering shareholder value.

CFE's existing team of personnel will assist GSZ in streamlining technical, financial, corporate and marketing activities to reduce costs and improve efficiencies. GSZ's registered office and mining administration activities will be moved to Perth.

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With CFE's support, GSZ will be in a strong position to execute its objective of taking the Wolfsberg Project into the next critical stage and ultimately, into production.

The Board welcomes CFE as a major shareholder and believe it will add significant value to GSZ.

Board Restructure

As a result of CFE's investment, Tony Sage has been appointed Non-Executive Chairman with Benjamin Hill and Declan Kelly also appointed as Non-Executive Directors. GSZ advises that Sevag Chalabian and Vince Fayad have resigned as Directors while Anthony Roberts will continue in his role as Executive Director.

In addition Pip Leverington has been appointed Company Secretary to replace Lynton McCreery.

The Board thanks Messrs Chalabian, Fayad and McCreery for their assistance and efforts during their time with GSZ and wish them well for the future.

Below is a brief summary of the new Directors' experience:

Name	Experience
Tony Sage	<p>Tony Sage has in excess of 25 years' experience in the fields of corporate advisory services, funds management and capital raising. Mr Sage is based in Western Australia and has been involved in the management and financing of listed mining companies for the last 14 years.</p> <p>Mr Sage currently holds the position of Executive Chairman of CFE. Mr Sage is also chairman of listed entities, International Goldfields Limited (ASX: IGS), Cauldron Energy Limited (ASX: CXU), International Petroleum Limited (NSX: IOP) and Fe Limited (ASX: FEL), is an executive director of Kupang Resources Ltd (ASX: KPR) and is a non-executive director of listed entities African Petroleum Corporation Limited (NSX: AOQ) and Matrix Metals Limited (ASX: MRX).</p>
Declan Kelly	<p>Declan Kelly has 24 years' experience in the area of management and public relations.</p> <p>In 1995 Mr Kelly was appointed Sales Director for ABC America's European Radio Division and provided management and public relations services to ten radio stations in Sweden, Finland, Denmark, Italy and Holland.</p> <p>Mr Kelly previously held the positions of Sales Director and General Manager for 96FM and 6PR and in 2004 Declan was awarded General Manager of the Year by Commercial Radio Australia. He currently has a management and public relations business and currently consults to radio stations in Sweden, Finland, New Zealand, England and Ireland.</p> <p>Mr Kelly is a current Board member of Perth Glory.</p>



Capitalisation of Loan to Exchange Minerals

Pursuant to a loan agreement with Exchange Minerals Limited and Exchange Minerals (Holdings) Limited (together, **Exchange Minerals**), GSZ's 80% owned subsidiary owes Exchange Minerals €1.2 million (plus unpaid interest) (**Loan**). Subject to shareholder approval, Exchange Minerals has agreed to settle all amounts owing pursuant to the Loan by the issue of approximately 22 million GSZ Shares. A subscription agreement between Exchange Minerals and GSZ sets out the full terms of the proposed capitalisation of the Loan.

The final Loan capitalisation amount (and number of GSZ Shares to be issued) is to be calculated based on the principal sum, plus unpaid capitalised interest, less any repayments converted into Australian dollars as at the date of shareholder approval.

Further details of the proposed Loan capitalisation will be set out in a notice of meeting to be despatched to shareholders.

Updated Capital Structure ¹

Set out below is the revised capital structure of GSZ pre and post the proposed issue of GSZ Shares to Exchange Minerals on an undiluted basis (assuming CFE does not exercise its GSZ Options and 22 million GSZ Shares issued):

Shareholder	Pre Issue to Exchange Minerals		Post Issue to Exchange Minerals ¹	
	No Shares	%	No Shares	%
CFE	28,019,365	19.81	28,019,365	17.14
Exchange Minerals	36,100,065	25.52	58,100,065	35.55
Other Shareholders	77,326,308	54.67	77,326,308	47.31
TOTAL	141,445,738	100	163,445,738	100
Options				
Unlisted Options exercisable at \$0.07 before 29 June 2014				5,600,000
Listed Options exercisable at \$0.20 before 14 July 2013				22,094,294
Unlisted Options to acquire partly paid "A" shares exercisable at \$0.45 each credited as paid to \$0.05 before 27 November 2012				1,250,000
Unlisted Options to acquire partly paid "A" shares exercisable at \$0.45 each credited as paid to \$0.05 before 30 April 2013				1,000,000
Unlisted Options exercisable at \$0.20 before 31 December 2013				2,400,000
Unlisted Options exercisable at \$0.20 before 31 December 2013				1,000,000
TOTAL				33,344,294
Partly Paid Shares				Total
\$0.40 paid to \$0.10				7,808,870



Notes

- 1 The above table assumes 22 million GSZ Shares are issued to Exchange Minerals pursuant to the recapitalisation of the Loan. This number will vary depending on the time of conversion. Further information will be set out in the Notice of Meeting to be despatched to Shareholders.

Change of Registered Office

Effective from this announcement, the registered office and contact details of the Company will change to:

Registered Office

32 Harrogate Street
West Leederville WA 6007

Postal Address

PO Box 1385
West Leederville WA 6901

Contact Details

Tel: +61 8 9380 9555
Fax: +61 8 9380 9666

Tony Roberts

Executive Director



About Global Strategic Metals

Global Strategic Metals NL (formerly known as East Coast Minerals NL) is an Australian-based exploration and mining company listed on the Australian Securities Exchange (ASX: GSZ) since 1970 and the Open Market of the Frankfurt Stock Exchange (Symbol: 9EC, ISIN: AU000000ECM6, WKN: 863804).

About GSZ's Wolfsberg Lithium Project (80% ownership)

GSZ's Austrian Lithium Project, which going forward the Company will be referring to as the Wolfsberg Lithium Project, is located in Carinthia, 270 km south of Vienna (Figure A). The Project is 20 km from Wolfsberg, an industrial town.

The Project is pegmatite-hosted and has a JORC measured resource of 3.7 million tonnes grading 1.5% Lithium Oxide ("Li₂O"), an indicated JORC of 3.2 million tonnes at a grade of 1.5% and an inferred JORC of 10.0 million at a grade of 1.5%.

It is estimated that over €8 million has been spent on the Project to date, primarily by the Austrian Government in the 1980s. This work included more than 16,000 metres of drilling, metallurgical and processing studies, 1,389 metres of underground decline and trial mining. Despite the extensive work undertaken on the Project, the mine was not put into production at the time due to the then modest lithium price. With lithium now firmly established as a metal of strategic importance, GSZ intends to fast-track the development of the Wolfsberg Lithium Project using established Australian underground bulk-mining techniques.

The Wolfsberg Lithium Project benefits from valid Exploration and Mining Licences. It is close to existing infrastructure and centrally located in Europe. It is considered to be of strategic importance to European manufacturers, and in the view of the Company has the potential to deliver substantial shareholder wealth in both the short and the medium term.

About GSZ's Elizabeth Hill Silver Mine (100% ownership)

Silver was mined by GSZ and Legend Mining from the Elizabeth Hill underground mine between 1998 and 2000. 16,800 tonnes of ore grading 2,100 g/t silver (70 oz/t) were mined to produce 1,170,000 ounces of silver. A shallow resource of 7,000 tonnes grading 700 g/t silver (22 oz/t) for 157,000 ounces remains.

More information: www.globalstrategicmetalsnl.com



Figure A: Austrian Lithium Project Location

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ian Miller of Geotask Pty Ltd. Mr Miller is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). He has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Miller consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.