

9 July 2012

Exploratory drilling commences on Zone 2 at Wolfsberg Lithium Project, Austria

Highlights:

- **Drilling has commenced on Zone 2 at the Wolfsberg Lithium Project in Austria**
- **Program costs of six holes, totalling up to 1,500 metres**
- **First hole of program has intersected mineralised pegmatite at a depth of 45 metres**
- **Project has a total JORC resource of 16.9mt Lithium Oxide ("Li₂O") (grading 1.5%-1.6%)**
- **Zone 2 has an initial exploration target of 8 to 12 million tonnes with a grade of 1.5% to 2% Li₂O¹**
- **Company is well funded following A\$1.96 million placement to Cape Lambert Resources and proposed capitalisation of €1.2 million loan**

Global Strategic Metals NL (ASX: **GSZ**) (**Global** or the **Company**) (formerly East Coast Minerals NL) wishes to confirm it has commenced drilling on Zone 2 at the Wolfsberg Lithium Project, Austria.

The Wolfsberg Lithium Project, is a near term production asset that is considered to be of potential strategic importance to European manufacturers for Lithium, Silica, Feldspar and Mica.

It is pegmatite hosted and has a measured JORC resource of 3.7 million tonnes grading 1.5% Li₂O, an indicated JORC resource of 3.2 million tonnes at a grade of 1.5% Li₂O and an inferred JORC resource of 10.0 million tonnes at a grade of 1.6% Li₂O.

At Zone 2 the Company has an initial exploration target of 8 to 12 million tonnes with a grade of 1.5% to 2% Li₂O¹.

"Whilst Zone 1, on the northern flank of the anticline, has been subject to extensive exploration, development and trial mining, very limited exploration work has been undertaken on Zone 2, on the southern flank of the anticline," said Non-Executive Chairman, Mr Tony Sage.

The present drill campaign commenced at the end of June and will comprise six drill holes totalling up to 1,500 metres of core drilling.

Global Strategic Metals (formerly East Coast Minerals) is an Australian based exploration company with a philosophy to build a portfolio of diversified mining opportunities and apply our extensive expertise to deliver shareholder wealth.

We will continue to look for new prospects, joint ventures and investments in the mining and exploration sectors in Australia and elsewhere.

Australian Securities Exchange

Code: **GSZ**

Ordinary shares	141,445,738
Options	33,344,294
Ordinary shares	7,808,870

Board of Directors

Tony Sage
Non-Executive Chairman

Anthony Roberts
Executive Director

Benjamin Hill
Non-Executive Director

Declan Kelly
Non-Executive Director

Pip Leverington
Company Secretary

Key Projects

Wolfsberg Lithium Project - Austria

Enquiries

Global Strategic Metals NL

Tony Sage
Executive Chairman

Eloise von Puttkammer
Investor Relations

Professional Public Relations
David Tasker

Phone: +61 8 9388 0944

Mobile: +61 433 112 936

Email: david.tasker@ppr.com.au

¹ The potential quantity and grade of this exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource on the property and it is uncertain if further exploration will result in discovery of further Mineral Resources on the property.

For personal use only

The drill programme is anticipated to conclude in October; however the cores will be assayed on an ongoing hole-by-hole basis. The goal of the drilling is to intersect the rock layers hosting the mineralised pegmatites (amphibolites and mica-schists), delineate the geometry of the pegmatites and determine their lithium grade.

The first hole of the current drill campaign (Z2-1) has intersected mineralised pegmatite at a depth of 45 metres.

As announced on 29 June 2012, Cape Lambert Resources (ASX: CFE) invested A\$1.961 million in the Company to acquire a 19.81% interest. This was via a placement, whereby CFE acquired 28,019,365 GSZ shares at A\$0.07 each (together with 5,600,000 free attaching options) (refer ASX announcement dated 29 June 2012).

Contemporaneously, the Company announced a restructure of its board and operational activities and that Exchange Minerals had agreed to capitalise its €1.2 million loan for approximately 22 million GSZ shares (subject to shareholder approval).

Ends

For personal use only

About the Wolfsberg Lithium Project, Austria (Global Strategic Metals NL 80%, Exchange Minerals Group 20%)

The Wolfsberg Lithium Project is located in Carinthia, 270 km south of Vienna, Austria. The Project is located 20 km east of Wolfsberg, an industrial town, with excellent infrastructure, which includes rail. The main industry in the area is forestry and a pulp and paper mill is in operation in Wolfsberg.

There are two types of Pegmatite ores within the Project, with veins up to 5.5m:

- Amphibolite Hosted Pegmatite ("AHP") with grades up to 3.15% Li₂O; and
- Mica Hosted Pegmatite ("MHP") with grades up to 1.95% Li₂O.

Key Project Features

- Close to road, rail and cities at Wolfsberg and Deutschlandsberg
- Significant land holding of granted exploration and mining licenses
- Inferred JORC resource of 18 million tonnes at 1.6% Lithium Oxide ("Li₂O") with substantial exploration upside with ore body remaining open at depth and along strike
- Mining was undertaken and Permitting was in place in the late 1980's for the trial mining, stage and has been kept on care and maintenance, therefore the mine is most likely acceptable to 2011 standards
- Strategic location for mining and supply to European markets
- Lithium price forecast to remain strong
- Global Lithium demand is increasing
- No local producers

Development Strategy

- Complete mineral processing studies using 2011 technology to get product specifications and samples for Spodumene, Quartz, Feldspar and Mica.
- Start negotiations for off-take agreements.
- Undertake limited drilling to convert inferred resources into the indicated and measured categories.
- Complete a Definitive Feasibility Study into operation of 0.5-1 million tonne per annum (Mtpa) mining operation. The size of an operation is dependent on the size of off-take agreements for saleable products.
- Target the new zones of identified boulders of spodumene (Lithium) from either trenching or drilling.

Competent Persons Statement

The information in this announcement 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 announcement of the matters based on his information in the form and context in which it appears.