

26 April 2013

## March Quarterly Activities Report

### Highlights:

- **Austrian Mining Authority grants Exemption Mining Licence in relation to the Wolfsberg Lithium Project**
- **Bulk samples to be taken from the Wolfsberg Lithium Project following which the Mining Lease will be granted in perpetuity**
- **Zone 2 scout drilling completed at the Wolfsberg Lithium Project**
- **Results of Zone 2 drilling program demonstrates increased potential to host further mineralisation**

Global Strategic Metals NL (ASX: **GSZ**) (**Global** or the **Company**) is pleased to announce the Company's March 2013 Quarterly Activities Report:

### OPERATIONAL

#### Wolfsberg Lithium Project

As announced on 15 February 2013, the Austrian Mining Authority (**Mines Authority**) has granted the Company a mining license (**Mining License**) in respect of its 80% owned Wolfsberg Lithium Project (**Project**).

The Mining License will allow the Company to comply with its obligations to carry out mining activity to extract 2x500 tonne bulk samples (**Bulk Samples**), without the requirement to complete a second egress as originally stipulated in the exploration license. This variation to the original license provides significant time and cost savings to the Company.

The Company has called for tenders from three local contractors for the extraction of the Bulk Samples. Once the Bulk Samples exercise is completed, the leases pertaining to the Project will be granted to the Company in perpetuity.

As announced on 3 April 2013, the scout drilling program (**Drilling Program**) undertaken in Zone 2 was completed during the quarter. The results from the Drilling Program confirmed that Zone 2 has the potential to mirror the mineralisation of Zone 1. The data resulting from the Drilling Program also validates the interpretation of the geological model and illustrates the presence of pegmatite bodes with anomalous lithium contents.

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	171,761,366
Options	35,794,294

### Board of Directors

Tony Sage  
Non-Executive Chairman

Anthony Roberts  
Executive Director

Benjamin Hill  
Non-Executive Director

David Shaw  
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

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The following table provides a list of pegmatite intersections and their analytical results:

<b>BOREHOLE Z2-1</b>					
<b>Amphibolite Hosted Pegmatites</b>					
Sample Number	Depth (m)	Core Length (m)	True Thickness (m)	Li <sub>2</sub> O %	Duplicates Li <sub>2</sub> O %
Z2-101 A	9.30 - 10.30	1.00	0.87	0.05	0.05
Z2- 101	45.80 - 47.50	1.70*	1.47	1.65	1.68
Z2 -102	101.70 – 103.20	1.40	1.30	< 0.02	
<b>Mica Schist Hosted Pegmatites</b>					
Z2 -103	139.50 – 140.10	0.60	0.52	0.15	
Z2 -104	140.50-141.70	1.20	1.04	0.47	0.51
<b>BORE HOLE Z2 - 2</b>					
<b>Amphibolite Hosted Pegmatites</b>					
Sample Number	Depth (m)	Core Length (m)	True Thickness (m)	Li <sub>2</sub> O %	Duplicates Li <sub>2</sub> O %
Z2-201	181.50 – 183.50	2.00*	1.73	0.59	0.64
<b>Mica Schist Hosted Pegmatites</b>					
Z2- 202	232.00–232.50	0.50	0.43	< 0.02	
Z2-203	236.30 - 237.40	1.10	0.95	< 0.02	0.03
Z2-204	260.10– 261.60	1.50	1.30	< 0.02	
Z2-205	266,10 - 267,60	1.50*	1,30	0,10	0.12
Z2- 207	277.10–277.60	0.50	0.43	0.03	
<b>BORE HOLE Z2 - 3</b>					
<b>Amphibolite Hosted Pegmatites</b>					
Sample Number	Depth (m)	Core Length (m)	True Thickness (m)	Li <sub>2</sub> O %	Duplicates Li <sub>2</sub> O %
Z2- 301 A	4.50 - 5.10	0.60*	0.52	0.28	
Z2- 301	21.10 - 21.50	0.40*	0.35	0.15	
<b>BOREHOLE Z2-4</b>					
<b>Amphibolite Hosted Pegmatites</b>					
Sample Number	Depth (m)	Core Length (m)	True Thickness (m)	Li <sub>2</sub> O %	Duplicates Li <sub>2</sub> O %
Z2- 401	46.20 – 46.80	0.60 *	0.52	0.89	
Z2 -402	51.90 – 52.60	0.70 *	0.61	1.42	
Z2 -403	63.20 – 63.80	0.60 *	0.52	0.39	0.37
Z2 -404	171.30–171.80	0.50	0.43	0.03	

\* Visible mineralization

Hole Z2-5 only reached a depth of 32 metres, and did not intersect any pegmatites

## Elizabeth Hill Silver Project

The Company's Elizabeth Hill Project is located approximately 40km south of Karratha in Western Australia. Silver was historically mined from underground operations between 1998 and 2000 producing 1.17 Moz. More recent exploration was expanded to investigate the potential for base metal and nickel sulphide deposits associated with the highly prospective Archean Munni Munni Complex (MMC) that intrudes the Archean granitic and gneissic basement rocks of the Pilbara Craton.

Historical fixed loop Electro Magnetic (EM) survey data indicated the existence of conductors within the tenement in between and along strike from two known base metal prospects (Sunchaser and Conquest) held by Fox Resources Limited (ASX:FXR) on neighbouring tenements.

A Reverse Circulation (RC) drilling program was designed to test the identified EM conductors and was completed during late 2012 resulting in 574m from 3 holes being drilled. The majority of samples were retrieved and assayed during the quarter however no significant results were returned.

Some samples from the bottom 92m of hole GSRC003 remained on site as a result of some logistical issues and are yet to be retrieved. Due to site access issues associated with the traditional owners, it was not possible to recover the samples during the quarter. The issue is currently being negotiated and the Company anticipates collection and assay of the remaining samples to be completed during Q2 2103.

Pending the final results, a project report will be completed and a decision will be made regarding options for the project.

## CORPORATE MATTERS

### Board Appointment

On 19 February 2013, the Company announced the appointment of Dr David Shaw as Non-Executive Director of the Company with effect from 18 February 2013.

### Issue of Unlisted Options to Cape Lambert

On 1 February 2013, a nominee of Cape Lambert Resources Ltd (**Cape Lambert**) was issued 3,200,000 options at an exercise price of \$0.10 expiring on 31 January 2015. The options were issued in part consideration for the provision of loan funds pursuant to a loan agreement with the Company (**Loan Agreement**).

The key terms and conditions of the Loan Agreement are as follows:

- (a) Cape Lambert to lend the Company A\$400,000 (**CFE Loan**);
- (b) Exchange Minerals Limited (**Exchange Minerals**) (or nominee) to lend the Company A\$850,000 (**EML Loan**);

- (c) in part consideration for entering into the Loan Agreement, the Company agreed to issue and allot:
  - (i) 3,200,000 options exercisable at A\$0.10 each on or before that date which is two (2) years from the date of issue to Cape Lambert (or nominee); and
  - (ii) 6,800,000 options exercisable at A\$0.10 each on or before that date which is two (2) years from the date of issue to Exchange Minerals (or nominee),(together, the **Loan Consideration Options**);
- (d) interest to accrue daily at a rate of 12% per annum on the CFE Loan and the EML Loan; and
- (e) the CFE Loan and EML Loan (including interest) are repayable by the Company on the earlier to occur of:
  - (i) that day which is five (5) days after receipt of cleared funds of no less than A\$1,500,000 by the Company by way of a debt or equity fundraising;
  - (ii) 31 December 2013; and
  - (iii) default or breach by the Company of the terms of the Loan Agreement.

As at the date of this announcement, A\$600,000 of the EML Loan facility have been provided to the Company. The Company will proceed to issue the options to Exchange Minerals upon receipt of the full EML Loan funds.

Note that pursuant to the restrictions in the Corporations Act, neither Exchange Minerals nor Cape Lambert will be able to exercise the Loan Consideration Options unless shareholder approval is obtained in relation to either entity further increasing their relevant interest in the Company or they are significantly diluted and the exercise of the options would not result in them holding more than 19.9% of the Company.

The Company is considering further capital raising options in order to repay the Loan Agreement and provide further working capital for the Company's planned exploration at the Project.

**Ends**

**About the Wolfsberg Lithium Project, Austria (GSZ 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% Li<sub>2</sub>O; and
- Mica Hosted Pegmatite ("MHP") with grades up to 1.95% Li<sub>2</sub>O.

**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 ("Li<sub>2</sub>O") 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 Statements**

The information in this announcement that relates to 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.

The information in this report which relates to Exploration Targets or Exploration Results is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard 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, Exploration Targets, Mineral Resources and Ore Reserves". (JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Global Strategic Metals NL

ABN

82 000 738 885

Quarter ended ("current quarter")

31 March 2013

#### Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(298)	(942)
(b) development	-	-
(c) production	-	-
(d) administration (including costs associated with acquisition of Austrian project.	(235)	(818)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other; BAS/VAT Refund	21	157
<b>Net Operating Cash Flows</b>	<b>(510)</b>	<b>(1,581)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities (Repayment of loans to Exchange Minerals Ltd and representing payments in connection with the proposed acquisition of Potash Holdings Pty Ltd)	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Opening balances of ECM Lithium subsidiaries);	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(510)</b>	<b>(1,581)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(510)	(1,581)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	382
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	600	1,000
1.17	Repayment of borrowings	(20)	(1,318)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	580	64
	<b>Net increase (decrease) in cash held</b>	70	(1,517)
1.20	Cash at beginning of quarter/year to date	400	1,992
1.21	Exchange rate adjustments to item 1.20	-	(5)
1.22	<b>Cash at end of quarter</b>	470	470

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	66
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments to related parties include consulting fees and Directors fees.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the re entity has an interest

-

**Financing facilities available**

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	1,250
3.2	Credit standby arrangements	-

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation (including costs associated with acquisition of Austrian project)	320
4.2	Development	-
4.3	Production	-
4.4	Administration	251
<b>Total</b>		<b>571</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	321	274
5.2	Deposits at call	149	126
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		<b>470</b>	<b>400</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity quarterly report

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference</b> <b>*securities</b> (description)				
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>*Ordinary securities</b>	171,761,366	171,761,366	Fully Paid	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Increases through exercise of share options	-	-	-	-
7.5 <b>*Convertible debt securities</b> (description)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> (description and conversion factor)	1,000,000 (OPTIONS TO ACQUIRE 1m PARTLY PAID 'A' SHARES OF 45 CENTS CREDITED AS PAID TO 5 CENT, LEAVING 40 CENTS OUTSTANDING)  22,094,294 (OPTIONS TO ACQUIRE FULLY PAID SHARES)  2,400,000 (OPTIONS TO ACQUIRE FULLY PAID SHARES)  1,000,000 (OPTIONS TO ACQUIRE FULLY PAID SHARES)  150,000 (OPTIONS TO ACQUIRE FULLY PAID SHARES)  5,950,000 (OPTIONS TO ACQUIRE FULLY PAID SHARES)  3,200,000 (OPTIONS TO ACQUIRE FULLY PAID SHARES)		<b>Exercise price</b>  No cash amount  20 cents  20 cents  20 cents  7 cents  Various Prices (subject to vesting conditions)  10 cents	<b>Expiry date</b>  30 Apr 2013  14 Jul 2013  8 Dec 2013  31 Dec 2013  29 June 2014  13 Dec 2013  31 Jan 2015

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

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7.8	Issued during quarter	3,200,000	3,200,000	10 cents	31 Jan 2015
7.9	Decreased on consolidation during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (totals only)	-	-		

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+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 26 April 2013  
(Company secretary)

Print name: Pip Leverington

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.