

# ASX / Media Announcement

16 April 2012



## MEETING OF SHAREHOLDERS

### HIGHLIGHTS

- Dispatch of Notice o Meeting - to be held on 14 May 2012
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East Coast Minerals NL (ECM) is pleased to announce that it has dispatched a meeting to be held on 14 May 2012 of shareholders to consider the following matters:

1. change of name from East Coast Minerals NL to Global Strategic Metals NL;
2. ratification of shares issued by the Directors;
3. approval of 6 million shares to Bell Potter and other persons involved in the Capital Raising;
4. approval of Options to participants in the Capital Raising;
5. approval of 100 million Shares to be issued at no less than \$0.03 per Share ;
6. approval of 100 million Placement Securities, with the Shares be issued no less than 80% of VWAP and the Options to be issued for at least 1 cent above the issue price of the Shares; and
7. consolidation of the number of Shares - the effect of the consolidation is that the number of Shares will reduce from 540,246,332 to 108,049,266 - that is one new Share for every five existing Shares.

The above resolutions represent the Board's focus on improving capital management and ECM's corporate image.

- (END)

**Vince Fayad**  
Executive Director  
Tel: +61414 752 804  
Email: vfayad@lawlercf.com.au

## About East Coast Minerals

East Coast Minerals is an Australian-based exploration and mining company listed on the Australian Securities Exchange (ASX: ECM) and the Open Market of the Frankfurt Stock Exchange (Symbol: 9EC, ISIN: AU000000ECM6, WKN: 863804).

### About ECM's Wolfsberg Lithium Project (80% ownership)

ECM'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 1). The Project is 20 km from Wolfsberg, an industrial town.

The Project is pegmatite-hosted and has an inferred JORC resource of **18 million tonnes grading 1.6% Lithium Oxide** ( $\text{Li}_2\text{O}$ ).

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, ECM 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 ECM's Elizabeth Hill Silver Mine (100% ownership)

Silver was mined by ECM 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.eastcoastminerals.com](http://www.eastcoastminerals.com)

## Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by Ed Mead who is a member of the Australian Institute of Mining and Metallurgy and is a former Director of East Coast Minerals. 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'. Ed Mead consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



Figure 1: Austrian Lithium Project Location



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**NOTICE OF GENERAL MEETING**

**An General Meeting of the Company** will be held at the offices of DLA Piper Australia, Level 38, 201 Elizabeth Street, Sydney, NSW, 2000 **on 14 May 2012 at 10.00am.**

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This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

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## **IMPORTANT NOTICE**

You should read the Notice of Meeting in its entirety before making a decision as to how to vote at the Meeting.

### **Key Dates**

**Date and time for lodgement of proxies:** 10:00am on 11 May 2012

**Date and time of Meeting:** 10:00am on 14 May 2012

## **CHAIRMAN'S LETTER TO SHAREHOLDERS**

Dear Shareholder

It gives me pleasure to submit this notice of General Meeting.

The purpose of this meeting is to consider the following resolutions:

1. change of name from East Coast Minerals NL to Global Strategic Metals NL;
2. ratification of shares issued by the Directors;
3. approval of 6 million shares to Bell Potter and other persons involved in the Capital Raising;
4. approval of Options to participants in the Capital Raising;
5. approval of 100 million Shares to be issued at no less than \$0.03 per Share ;
6. approval of 100 million Placement Securities, with the Shares be issued no less than 80% of VWAP and the Options to be issued for at least 1 cent above the issue price of the Shares;
7. consolidation of the number of Shares – the effect of the consolidation is that the number of Shares will reduce from 540,246,332 to 108,049,266 – that is one new Share for every five existing Shares.

After careful consideration of the strategic direction that the Company is heading, your Directors believe that the time has come in order to change the name of the Company from “East Coast Minerals NL” to “Global Strategic Metals NL”. This change comes with some sadness as the current name is some 40 years old and clearly is one that is well known in the market. However, it is quite clear that with our flagship project, the Wolfsberg Lithium Project, as well as reviewing other potential international acquisitions, the Company is moving down a new path and accordingly, the time has come to change the name of the Company in light of the new strategic direction of being a global player in the metals markets. It is intended that name “East Coast Minerals” retained as the name of a subsidiary of the Company.

As you may have read through our announcements, our board has worked extremely hard to secure the interests of the Wolfsberg Project. As a result of this, the Company progressing toward discharging its obligations under the KMI loan and this can be largely attributed to the Capital Raising activities undertaken by Bell Potter. Resolutions two and three deal with the finalisation of the Capital Raising.

Notwithstanding this the achievement of the above Capital Raising, the Company is still in much need of additional capital in order to achieve its objective of crystallising the value for its flagship Wolfsberg Project. This need takes into account the expected funds to be raised from the call on the Partly Paid Shares. To this end, the Directors have requested approval for approval of shareholders of the ability to issue of up to 100 million Shares at a price equal to or, no less than \$0.03 per Share or 80% of VWAP. The rationale for asking for two different approvals is to provide the Directors with as much flexibility as possible raise funds, which in these difficult times requires as much flexibility as possible.

I look forward to seeing as many of you as possible at this important meeting.

Yours sincerely

**Sevag Chalabian**  
Chairman

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## NOTICE OF GENERAL MEETING

**Notice is hereby given** that an General Meeting of Shareholders of East Coast Minerals NL ABN 82 000 738 885 (**Company**) will be held at the offices of DLA Piper at Level 38, 201 Elizabeth Street on 14 May 2012 at 10.00am (**General Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the General Meeting and forms part of this Notice.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### 1. Resolution 1 - Change of name

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That the name of the Company be changed to "Global Strategic Metals NL."*

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### 2. Resolution 2 - Ratification of share issues

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 35,454,363 fully paid ordinary shares in capital of the Company to the subscribers set out in the Explanatory Memorandum are approved and ratified."*

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### 3. Resolution 3 - Approval of issue of 6 million shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and all other purposes, approval is given for the grant and issue of 6,000,000 fully paid ordinary shares in the capital of the Company to the subscribers and on the terms and conditions set out in the Explanatory Memorandum."*

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### 4. Resolution 4 - Approval to issue options

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant and issue of 33,416,667 Options to acquire fully paid ordinary shares in the capital of the Company to the persons and on the terms and conditions set out in the Explanatory Memorandum."*

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### 5. Resolution 5 - Approval to issue 100 million Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the allotment and issue up to 100,000,000 Shares in the capital of the Company within three months of the date of this meeting, to the persons, for the purposes and on the terms and conditions set out in the Explanatory Memorandum at an issue price of no less than \$0.03 per share."*

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**6. Resolution 6 - Approval to issue 100 million Placement Securities**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant, allotment and issue, within three months of the date of this meeting, of up to 100,000,000 Placement Securities to the persons, for the purposes and on the terms and conditions set out in the Explanatory Memorandum."*

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**7. Resolution 7 – Consolidation of Shares**

To consider and, if thought fit, to pass the following resolutions as an **ordinary resolution**:

*"That each 5 ordinary shares in the capital of the Company, including the shares referred to in the other resolutions pass at this meeting, be converted into 1 ordinary share in the capital of the Company on the terms and conditions set out in the Explanatory Memorandum."*

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## VOTING EXCLUSION STATEMENTS

Under ASX Listing Rule 14.11, the Company will disregard any votes cast on the Resolutions by the following persons:

RESOLUTION	PERSONS EXCLUDED FROM VOTING
2 - Ratification of Share Issues	<ul style="list-style-type: none"><li>• any person who participated in the Share Issues; and</li><li>• any of their Associates</li></ul>
3 - Issue of 6 million Shares	<ul style="list-style-type: none"><li>• Bell Potter Securities Limited;</li><li>• Cameron John French; and</li><li>• any of their Associates</li></ul>
4 - Issue of Options	<ul style="list-style-type: none"><li>• any person who may participate in the proposed issue of the options;</li><li>• any person who might benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed; and</li><li>• any of their Associates</li></ul>
5- Issue of up to 100 million Placement Shares	<ul style="list-style-type: none"><li>• any person who may participate in the proposed issue;</li><li>• any person who might benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed; and</li><li>• any of their Associates</li></ul>
6- Issue of 100 million Placement Securities	<ul style="list-style-type: none"><li>• any person who may participate in the proposed issue; and</li><li>• any person who might benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed; and</li><li>• any of their Associates</li></ul>

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a Shareholder who is entitled to vote, in accordance with the directions on the proxy appointment form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## DETERMINATION OF MEMBERSHIP AND VOTING ENTITLEMENT

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognised as a Shareholder and the holder of Shares if that person is registered as a holder of those Shares at 10.00am on 14 May 2012. Fully paid Shares are listed and have full voting rights. Partly Paid Shares are not listed and have proportional voting rights based on the proportion of the capital paid up.

## How to Vote

You may vote at the Meeting by attending the Meeting in person or by proxy:

- on a show of hands, each Shareholder has one vote. On a poll each Shareholder has one vote for each fully paid Share held and a fraction of a vote for each Partly Paid Share proportionate to the amount paid up on each Partly Paid Share (see rule 26.1(b) of the Company's Constitution);
- to vote in person you must attend the Meeting on 14 May 2012, which is to be held at the offices of DLA Piper, Level 38, 201 Elizabeth Street, Sydney; and
- if you wish to vote by proxy, your proxy form must be received by the Company no later than 11 May 2012.

## Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of the Shareholder;
- (b) where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise;
- (c) if the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes. Any fractions of votes brought about by the apportionment of a proxy will be disregarded;
- (d) a proxy need not be a Shareholder;
- (e) any instrument of proxy deposited or received at the registered office of the Company in which the name of the appointee is not filled in, will be deemed to be given in favour of the chairman of the Meeting;
- (f) to be effective the instrument appointing a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of the power of authority) must be deposited at the office of the Company being 3 Richardson Street West Perth or be received by facsimile on facsimile number 08 9486 1258 not less than 48 hours before the time for holding the Meeting or for the holding of any adjournment of the adjourned meeting with respect to the Meeting;
- (g) a proxy form containing further details on appointing proxies and lodging proxy forms accompanies this Notice.

## Enquiries

If you have any questions in relation to the Resolutions to be considered at the Meeting, please email Lynton McCreery, the Company Secretary at [lynton@eastcoastminerals.com](mailto:lynton@eastcoastminerals.com).

By order of the Board

Lynton McCreery

Secretary

Date: [ ] April 2012

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## **Explanatory Memorandum**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business specified to be conducted at the General Meeting to be held at the offices of DLA Piper, Level 38, 201 Elizabeth Street, Sydney, NSW, 2000 on 14 May at 10.00am.

The Directors recommend that Shareholders read this Explanatory Memorandum in full in conjunction with the accompanying Notice of which this Explanatory Memorandum forms a part.

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### **1. Resolution 1 - Change of name**

#### **Background**

The Company's flagship operation is its Wolfsberg Project. Additionally, the Company is also focused on new acquisition opportunities both in Australia and around the world. This has resulted in a shift away from the traditional Elizabeth Hill project and accordingly, the Directors believe that the name "Global Strategic Metals NL" is more synonymous with the new direction of the Company.

Should this resolution be passed, the change of the Company's name will take effect when ASIC alters the details of the Company's registration. The Company expects that its ASX Company Security Code will change to "GSZ".

#### **Directors Recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 1.

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### **2. Resolution 2 - Ratification of Share Issues**

#### **Background**

During the past year the Company issued shares on three occasions. These issues did not require prior Shareholder approval as they were within the 15% limit permitted by ASX Listing Rule 7.1

These issues were as follows:

- (a) on 5 October 2011, the Company issued 563,887 ordinary fully paid shares to Berwick Capital Ltd at a deemed issue price of \$0.044 each in settlement of services rendered for corporate advice;
- (b) on 5 October 2011, the Company issued 523,810 ordinary fully paid shares to Crown & Marks Pty Ltd at a deemed issue price of \$0.042 each in settlement of services rendered in connection with the provision of staff hire;
- (c) on 30 December 2011, the Company issued 15,033,333 ordinary fully paid shares to professional investors at \$0.045 each to provide the Company with additional working capital to develop the Wolfsberg Project;
- (d) on 17 January 2012, the Company issued 700,000 ordinary fully paid shares to professional investors at \$0.03 each to provide the Company with additional working capital to develop the Wolfsberg Project; and

- (e) on 23 February 2012, the Company issued 18,633,333 ordinary fully paid shares to professional investors at \$0.03 each. This formed part of a larger placement (of a total of 118,633,333) of ordinary fully paid shares to professional investors. The issue of the balance of these shares had been previously approved by Shareholders.

#### **ASX Listing Rules information requirements**

ASX Listing Rule 7.1 provides that the Company cannot issue or agree to issue equity securities (which include options or shares) without Shareholder approval, where the number of equity securities issued or agreed to be issued in the preceding 12 month period and the new issue exceeds 15% of the number of equity securities of the Company on issue at the beginning of the preceding 12 month period (increased by any issues undertaken in that period with Shareholder approval or under an exception to ASX Listing Rule 7.1).

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purpose of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and the company's members subsequently approve the issue of those securities.

The effect of Resolution 2, if passed by Shareholders, will be to obtain the relevant approval for the issue of the shares noted above for the purposes of Listing Rule 7.1 and thereby "refresh" the number of securities which the Company will have the ability to issue utilising ASX Listing Rule 7.1.

#### **ASX Listing Rule Disclosure Requirements**

In accordance with ASX Listing Rule 7.5, the Company provides the following information to Shareholders for the purpose of Resolution 2. The lettering below corresponds to the descriptions of the various issues referred to under the heading "Background" above:

- (i) *The number of equity securities issued:*
  - (a) The Company issued 563,887 ordinary fully paid shares on 5 October 2011;
  - (b) The Company issued 523,810 ordinary fully paid shares on 5 October 2011;
  - (c) The Company issued 15,033,333 ordinary fully paid shares on 30 December 2011;
  - (d) The Company issued 700,000 ordinary fully paid shares on 17 January 2012; and
  - (e) The Company issued 18,633,333 ordinary fully paid shares on 23 February 2012.
- (ii) *The issue price of the securities:*
  - (a) \$0.044;
  - (b) \$0.042;
  - (c) \$0.045;
  - (d) \$0.03;
  - (e) \$0.03.

- (iii) *The terms of the securities*

All the securities issued were fully paid ordinary shares.
- (iv) *The names of the allottees or the basis on which allottees were determined*
  - (a) Berwick Capital Ltd;
  - (b) Crown & Marks Pty Ltd;
  - (c) Professional investors within the meaning of section 708 of the Corporations Act;
  - (d) Professional investors within the meaning of section 708 of the Corporations Act;
  - (e) Professional investors within the meaning of section 708 of the Corporations Act.
- (v) *The intended use of the funds raised*
  - (a) settlement of services rendered;
  - (b) settlement of services rendered;
  - (c) additional working capital to develop the Wolfsberg lithium project;
  - (d) additional working capital to develop the Wolfsberg lithium project;
  - (e) as to \$448,000 to redeem redeemable convertible preference shares issued by the Company. The holders of these shares forgave payment of this amount by the Company resulting in no net expense to the Company. The entire funds raised are thus to be applied to provide additional working capital in connection with the Wolfsberg lithium project.

**Directors' recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 2.

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**3. Resolution 3 - Approval of issue of 6 million shares**

**Background**

The Company has undertaken a Capital Raising Program. This Capital Raising Program was facilitated by Bell Potter and Mr Cameron John French. As part of the remuneration for these services the Company has agreed, subject to receipt of Shareholder approval, to issue 5,000,000 fully paid ordinary shares to Bell Potter and 1,000,000 fully paid ordinary shares to Mr Cameron John French for nil cash consideration.

**ASX Listing Rules Information Requirements**

ASX Listing Rule 7.1 provides that the Company cannot issue or agree to issue equity securities (which include options or shares) without Shareholder approval, where the number of equity securities issued or agreed to be issued in the preceding 12 month period and the new issue exceeds 15% of the number of equity securities of the Company on issue at the beginning of the preceding 12 month period (increased by any issues undertaken in that period with Shareholder approval or under an exception to ASX Listing Rule 7.1).

Resolution 3 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of 6,000,000 fully paid ordinary shares. The effect of such approval is that these shares will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under the limit imposed by ASX Listing Rule 7.1.

#### **ASX Listing Rule Disclosure Requirements**

- (i) *Number of equity securities to be issued*  
6,000,000 ordinary fully paid shares.
- (ii) *The issue price of the securities*  
The shares will be issued for nil cash consideration as part of the remuneration arrangements noted above.
- (iii) *The terms of the securities*  
All the securities are fully paid ordinary shares.
- (iv) *The names of the allottees or the basis on which allottees will be determined*  
Bell Potter as to 5,000,000 ordinary fully paid shares; and  
Mr Cameron John French as to 1,000,000 ordinary fully paid shares.
- (v) *The intended use of the funds raised*  
No funds will be raised from these issues of shares, as the Shares were used to settle services provided to the Company.
- (vi) *The dates of allotment or a statement that allotment will occur progressively*  
The shares will be issued promptly following the passing of this resolution and in any event by no later than three months after the date of the meeting or such later date as may be approved by ASX.

#### **Directors' Recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

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#### **4. Resolution 4 – Approval to issue options**

##### **Background**

As part of the Capital Raising Program, professional investors who were issued fully paid ordinary shares were also entitled, subject to receipt of Shareholder approval, to receive one free option for every four shares they acquired. This will result in the issue of 33,416,667 options. The options are exercisable at \$0.04 per share, have an expiry date of 14 July 2013 and are to be issued on the terms and conditions set out in Schedule 2 to this Explanatory Memorandum.

By Resolution 4, the Company is seeking the approval of Shareholders to issue these options.

## **ASX Listing Rule information requirements**

ASX Listing Rule 7.1 provides that the Company cannot issue or agree to issue equity securities (which include options or shares) without Shareholder approval, where the number of equity securities issued or agreed to be issued in the preceding 12 month period and the new issue exceeds 15% of the number of equity securities of the Company on issue at the beginning of the preceding 12 month period (increased by any issues undertaken in that period with Shareholder approval or under an exception to ASX Listing Rule 7.1).

Resolution 4 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of 33,416,667 options. The effect of such approval is that these options will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under the limit imposed by ASX Listing Rule 7.1.

## **ASX Listing Rule Disclosure Requirements**

(i) *Number of equity securities to be issued*

33,416,667 Options.

(ii) *The date by which the entity will issue the equity securities*

The Options will be issued promptly following the passing of this resolution and in any event by no later than three months after the date of the Meeting, or such later date as may be approved by ASX.

(iii) *The issue price of the securities*

The Options are free attaching options and will be granted and issued for nil cash consideration.

The exercise price of each Option is four cents.

(iv) *The names of the allottees or the basis on which the allottees will be identified or selected.*

The allottees will be the professional investors who participated in the placement program.

(v) *The terms of the securities*

The Options will be issued on the terms set out in Schedule 2 to this Explanatory Memorandum.

(vi) *The intended use of the funds raised*

No funds will be raised from the issue of the options.

If all of 33,416,667 Options are exercised in accordance with their terms, \$1,336,667 will be raised which the Company intends to use in accordance with the Company's funding requirements at the time the options are exercised.

(vii) *The dates of allotment or a statement that the allotment will occur progressively*

The Options will be issued progressively promptly following the passing of this resolution and in any event by no later than three months after the date of the Meeting, or such later date as may be approved by ASX.

## **Directors' recommendation**

The directors unanimously recommend that Shareholders vote in favour of Resolution 4.



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## 5. Resolution 5 - Approval to issue 100 million Shares

### Background

By this resolution, the Company seeks Shareholder approval to issue and allot up to 100 million fully paid ordinary shares. This will allow the Company the flexibility to issue these shares in fundraising activities.

The purpose of Resolution 5 is to raise funds to assist the Company with meeting the acquisition and exploration costs of the Wolfsberg lithium project and also ongoing working capital requirements.

### ASX Listing Rule Requirements

ASX Listing Rule 7.1 provides that the Company cannot issue or agree to issue equity securities (which include options or shares) without Shareholder approval, where the number of equity securities issued or agreed to be issued in the preceding 12 month period and the new issue exceeds 15% of the number of equity securities of the Company on issue at the beginning of the preceding 12 month period (increased by any issues undertaken in that period with Shareholder approval or under an exception to ASX Listing Rule 7.1).

Resolution 5 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of up to 100 million fully paid ordinary Shares. The effect of such approval is that these shares will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under the limit imposed by ASX Listing Rule 7.1

### ASX Listing Rule Disclosure Requirements

- (i) *The maximum number of equity securities the entity is to issue*

The maximum number of equity securities to be issued is 100 million fully paid ordinary Shares.
- (ii) *The date by which the entity will issue the equity securities*

The shares will be issued no later than three months after the date of the meeting, or such later date as may be approved by the ASX.
- (iii) *The issue price of the equity securities*

The shares will be issued at a price of no less than \$0.03 per share.
- (iv) *The names of the allottees (if known) or the basis upon which the allottees will be identified or selected*

The names of the allottees of the shares are currently unknown and will be chosen at the discretion of the Directors who shall have the right to place the shares to such institutional and/or sophisticated investors as they deem appropriate, but who shall not be related parties of the Company or their Associates.
- (v) *The terms of the equity securities*

The shares will rank equally in all respects with the Company's current issued fully paid ordinary shares.
- (vi) *The intended use of the funds raised*

The funds raised by the issue of the shares will be used to fund:

- exploration and development of the Wolfsberg Project;
- restructure of the Elizabeth Hill project; and
- working capital of the Company.

(vii) *The dates of allotment or a statement that allotment will occur progressively*

The Placement Securities will be allotted progressively but in any event by no later than three months after the date of the Meeting or such later date as may be approved by ASX.

#### **Directors' recommendation**

The Board recommends that Shareholders vote in favour of Resolution 5 as it will assist the Company to raise funds for the purposes set out above and allows the Directors to set a price for the issue, which can generally prove to be difficult in times of volatility in the markets and the Company's share price.

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## **6. Resolution 6 – Approval to issue Placement Securities**

### **Background**

Under Resolution 6, the Company seeks Shareholder approval to issue and allot up to 100 million shares and/or options (collectively **Placement Securities**) in aggregate, in any combination. This will allow the Company the flexibility to issue these shares and/or options in fundraising activities.

The purpose of Resolution 6 is to raise funds to assist the Company with meeting the acquisition and exploration costs of the Wolfsberg lithium project and also ongoing working capital requirements.

### **ASX Listing Rule Requirements**

ASX Listing Rule 7.1 provides that the Company cannot issue or agree to issue equity securities (which include options or shares) without Shareholder approval, where the number of equity securities issued or agreed to be issued in the preceding 12 month period and the new issue exceeds 15% of the number of equity securities of the Company on issue at the beginning of the preceding 12 month period (increased by any issues undertaken in that period with Shareholder approval or under an exception to ASX Listing Rule 7.1).

Resolution 6 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of up to 100 million fully paid ordinary Shares. The effect of such approval is that any such Placement Security will not be counted as reducing the number of equity securities which the Company can issue without Shareholder approval under the limit imposed by ASX Listing Rule 7.1

### **ASX Listing Rule Disclosure Requirements**

(i) *The maximum number of equity securities the entity is to issue*

The maximum number of Placement Securities to be issued is 100 million. The Directors will have the discretion to issue either or both shares and/or options to any person they deem appropriate in any combination or ratio up to a maximum of 100 million Placement Securities in total.

(ii) *The date by which the entity will issue the equity securities*

The Placement Securities will be issued no later than three months after the date of the Meeting, or such later date as may be approved by the ASX.

(iii) *The issue price of the equity securities*

The shares will be placed at an issue price calculated in accordance with Listing Rule 7.3.3 that is at least 80% of the average Market Price for Shares, where that average Market Price is calculated by taking the average over the last 5 days on which sales were recorded before the day on which the issue was made, or if there is a prospectus, product disclosure statement or offer information statement relating to the issue, over the last 5 days in which sales in Shares were recorded before the date in the prospectus, product disclosure statement or offer information statement is signed.

The options will be issued for no consideration but at an exercise price which is at least one cent above 80% of the average Market Price for Shares, where that average Market Price is calculated by taking the average over the last 5 days on which sales of Shares were recorded before the day on which the issue was made, or if there is a prospectus, product disclosure statement or offer information statement relating to the issue, the last 5 days in which sales in Shares were recorded before the date in the prospectus, product disclosure statement or offer information statement is signed.

(iv) *The names of the allottees (if known) or the basis upon which the allottees will be identified or selected*

The names of the allottees of the Placement Securities are currently unknown and will be chosen at the discretion of the Directors who shall have the right to place the Placement Securities to such institutional and/or sophisticated investors as they deem appropriate, but who shall not be related parties of the Company or their Associates.

(v) *The terms of the equity securities*

The shares will rank equally in all respects with the Company's current issued shares.

The options forming part of the Placement Security will be issued on the terms set out in Schedule 3 to this Explanatory Memorandum. Options not exercised by 31 December 2014 will lapse.

(vi) *The intended use of the funds raised*

- the funds raised by the issue of the Placement Securities or the exercise of the options pursuant to Resolution 6 will be used to fund:
- exploration and development of the Wolfsberg Project;
- restructure of the Elizabeth Hill project; and
- working capital of the Company.

(vii) *The dates of allotment or a statement that allotment will occur progressively*

The Placement Securities will be allotted progressively but in any event by no later than three months after the date of the Meeting or such later date as may be approved by ASX.

**Directors' recommendation**

The Board recommends that Shareholders vote in favour of Resolution 6 as it will assist the Company to raise funds for the purposes set out above.

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## **7. Resolution 7 – Consolidation of shares**

### **Background**

The Company currently has 540,246,332 Shares on issue. These Shares represent the issue of:

- funding of past failed projects and head office costs;
- the acquisition of the Wolfsberg Project; and
- funding of the Wolfsberg Project.

The Company will also be required to issue more Shares to complete the deferred payments of KMI and secondly, to take the Wolfsberg Project to its next level. Accordingly, this will only require a further increase in the number of Shares. Accordingly, the Directors believe that in order to make the Company's capital structure attractive to potential investors, it is important to ensure that the capital structure is easily understood. The reduced number of Shares assists in improving this perception.

In addition to the above, the current and potentially additional number of Shares to be issued imply that the Company is of a speculative type of investment. However, the Directors believe that the Wolfsberg Project is a substantial asset and does not warrant the perception of being viewed as speculative investment. The reduction in the number of Shares on issue in the Directors view would help to improve the perception of the Wolfsberg Project and the Company's overall image.

The effect of the consolidation is that the number of Shares will reduce from 540,246,332 to 108,049,266 – that is one new Share for every five existing Shares.

### **Fractions**

It is intended that with any fractions that the number of Shares is rounded up.

### **Directors Recommendation**

The directors unanimously recommend that the Shareholders vote in favour of Resolution 7.

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## Schedule 1 - Definitions

In this Explanatory Memorandum and Notice of General Meeting:

**AEST** means Australia Eastern Standard Time.

**Associate** has the meaning given by Sections 10 to 17 of the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 and the market operated by it, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX and any other rules of ASX which are applicable while the entity is admitted to the official list of ASX, each as amended or replaced from time to time except to the extent of any express written waiver by ASX.

**Bell Potter** means Bell Potter Securities Limited of Aurora Place, Level 38, 88 Phillip Street Sydney NSW 2000.

**Board** means the board of Directors of the Company.

**Capital Raising** means the capital raising undertaken by the Company on 21 February 2012 and 1 March 2012 and where 133,666,668 Shares were issued.

**Capital Raising Program** means the amount raised of a gross amount of \$4,010,000 under the Capital Raising.

**Constitution** means the constitution of the Company, as amended from time to time.

**Company** or **ECM** means East Coast Minerals NL ABN 82 000 738 885 of Ground Floor, 3 Richardson Street, West Perth, Western Australia 6005.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Explanatory Memorandum** means the explanatory memorandum which accompanies and forms part of this Notice.

**General Meeting** or **Meeting** means the general meeting of the Company to be held on 14 May 2012 at the offices of DLA Piper, Level 38, 201 Elizabeth Street Sydney, convened by this Notice.

**KMI** means the former vendor of the Wolfsberg Project, known as Kärntner Montanindustrie GmbH.

**Market Price** has the same meaning as defined in the ASX Listing Rules.

**Notice** means this Notice of General Meeting.

**Partly Paid Share** means an ordinary share in the capital of the Company that is not a Fully Paid Share and is paid to 2 cents.

**Placement Securities** means the shares and options referred to in Resolution 6.

**Resolution** means a resolution referred to in this Notice.

**Securities** means a Share or option to acquire a Share in the capital of the Company.

**Share** means an ordinary share in the capital of the Company.

**Shares** means more than one ordinary share in the capital of the Company.

**Shareholder** means each person registered as a holder of a Share.

**Trading Day** has the same meaning as defined in the ASX Listing Rules.

**Wolfsberg Project** means the exploration and development of the pegmatite-hosted lithium oxide resource located in Wolfsberg which is part of the province of Carinthia approximately 270 km south of Vienna in Austria as previously announced by the Company.

In this Notice, words importing the singular include the plural and vice versa.

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## Schedule 2 - Terms and Conditions of the Options referred to in Resolution 4

1. Each Option entitles the holder to acquire one Share.
2. The Company will apply for quotation of the Options on ASX.
3. The Options are exercisable from their date of their issue (**Exercise Date**). Options not exercised by 14 July 2013 will lapse.
4. The exercise price of each Option is \$0.04 per share.
5. The Options are transferable.
6. Shares issued on the exercise Options:
  - 6.1. will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice;
  - 6.2. will rank equally with the then issued ordinary shares of the Company and in compliance with the Constitution.
7. Option holders will be permitted to participate in new issues of securities on and subject to the prior exercise of their Options in which case the Option holders will be afforded the period of ten business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise their Options.
8. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holders will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction;
9. If there is a bonus issue to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
10. In the event that a pro rata issue (except a bonus issue) is made to the holders of the securities in the Company, the exercise price of the Options will be reduced in accordance with ASX Listing Rule 6.22.2;
11. Reminder notices will be forwarded to Option holders prior to the expiry of the Options.
12. The Options will be recorded on the Company's register of Option holders maintained at the share registry. The register will be open for inspection by an Option holder free of charge. Shares to be allotted on the exercise of Options will be recorded on the Company's share register.
13. The Option holder, if appearing on the Company's register of Option holders at the relevant date, will be entitled to receive and will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meetings and will have the right to attend but shall have no right to vote at such meetings.

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### Schedule 3 - Terms and Conditions of the Options referred to in Resolution 6

1. Each Option entitles the holder to acquire one Share.
2. The Company will apply for quotation of the Options on ASX.
3. The Options are exercisable from their date of their issue (**Exercise Date**). Options not exercised by 31 December 2014 will lapse.
4. Subject to these terms and conditions, the Options are exercisable by completing an "exercise notice" in the form provided by the Company and delivering it to the registered office of the Company;
5. The exercise price of each Option is to be at least one (1) cent above the issue price of equity securities issued in accordance with Listing Rule 7.3.3 - that is, at least 80% of the average Market Price for Shares.
6. The Options are transferable.
7. Shares issued on the exercise Options:
  - 7.1. will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice;
  - 7.2. will rank equally with the then issued ordinary shares of the Company and in compliance with the Constitution.
8. Option holders will be permitted to participate in new issues of securities on and subject to the prior exercise of their Options in which case the Option holders will be afforded the period of ten business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise their Options.
9. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holders will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction;
10. If there is a bonus issue to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
11. In the event that a pro rata issue (except a bonus issue) is made to the holders of the securities in the Company, the exercise price of the Options will be reduced in accordance with ASX Listing Rule 6.22.2;
12. Reminder notices will be forwarded to Option holders prior to the expiry of the Options.
13. The Options will be recorded on the Company's register of Option holders maintained at the share registry. The register will be open for inspection by an Option holder free of charge. Shares to be allotted on exercise of Options will be recorded on the Company's share register.
14. The Option holder, if appearing on the Company's register of Option holders at the relevant date, will be entitled to receive and will be sent all reports and accounts required to be laid before Shareholders in general meeting and all notices of general meetings and will have the right to attend but shall have no right to vote at such meetings.