

# **E-COM MULTI LIMITED**

2 October 2010

ASX CODE: ECE

## **ASX ANNOUNCEMENT / MEDIA RELEASE**

### **Option to acquire 100% of Strategic Pilbara Iron Ore project from Talisman Mining Ltd**

#### **Highlights**

- **ECE signs option with Talisman Mining Ltd to acquire 100% of highly strategic direct shipping “DSO” Hematite resource at Wonmunna project in the Pilbara region of Western Australia.**
- **Strong technical team led by Andy Haslam and Andrew Simpson appointed as strategic advisors.**
- **Project hosts significant resources with direct synergies to other opportunities within the East Pilbara Iron Industry.**
- **Advanced discussions underway in relation to the introduction of key industry partners**
- **First phase of ECE strategy to build a significant stand-alone Iron ore and infrastructure business in the Pilbara.**

The directors of E-Com Multi Limited (“ECE” or “Company”) are pleased to announce that the company has entered into an option agreement with Talisman Mining Ltd (“Talisman”) to purchase 100% of the Wonmunna and Uaroo Iron Ore projects (“Option Agreement”). Upon exercise of its option, the Wonmunna acquisition will deliver ECE a strategic landholding and resource base in the Pilbara from which it intends to build a significant Australian focused iron ore and infrastructure company.

Pursuant to the option agreement, ECE may exercise its option at any time prior to 12 February 2011 to acquire all of Talisman’s interest in its Wonmunna and Uaroo tenements for a cash and equity consideration.

#### **First Stage Transaction**

The aim of the transaction is to unlock the potential of the highly strategic Wonmunna Iron Ore Project, which lies between “Hope Downs” (operating mine) and may what be the largest but as yet undeveloped project in the Pilbara, “Rhodes Ridge” a joint venture between Rio Tinto Ltd and Wright Prospecting Pty Ltd.

The transaction represents only the first stage in the ECE strategy, to become an iron ore and infrastructure company of both global and national importance, leveraging upon the addition of

strong operating, strategically minded management and the financing and corporate advisory strengths brought by Ochre Management Pty Ltd (the Company's corporate advisors) along with associated key industry partners.

In complying with all legal requirements and regulatory approvals the ECE board will prepare and present a comprehensive and integrated re-structuring of ECE to shareholders for approval. This will include a new company name, management team, capital structure and a change of business from technology to mining.

### Strategic Resource Base

The Wonmunna and Uaroo Projects are situated in the East Pilbara iron-ore mining heartland, with three major mines within a 25km radius, the West Angelas (Rio Tinto), Hope Downs 1 (Rio Tinto/Hancock) and Mining Area C (BHP Billiton) Operations.

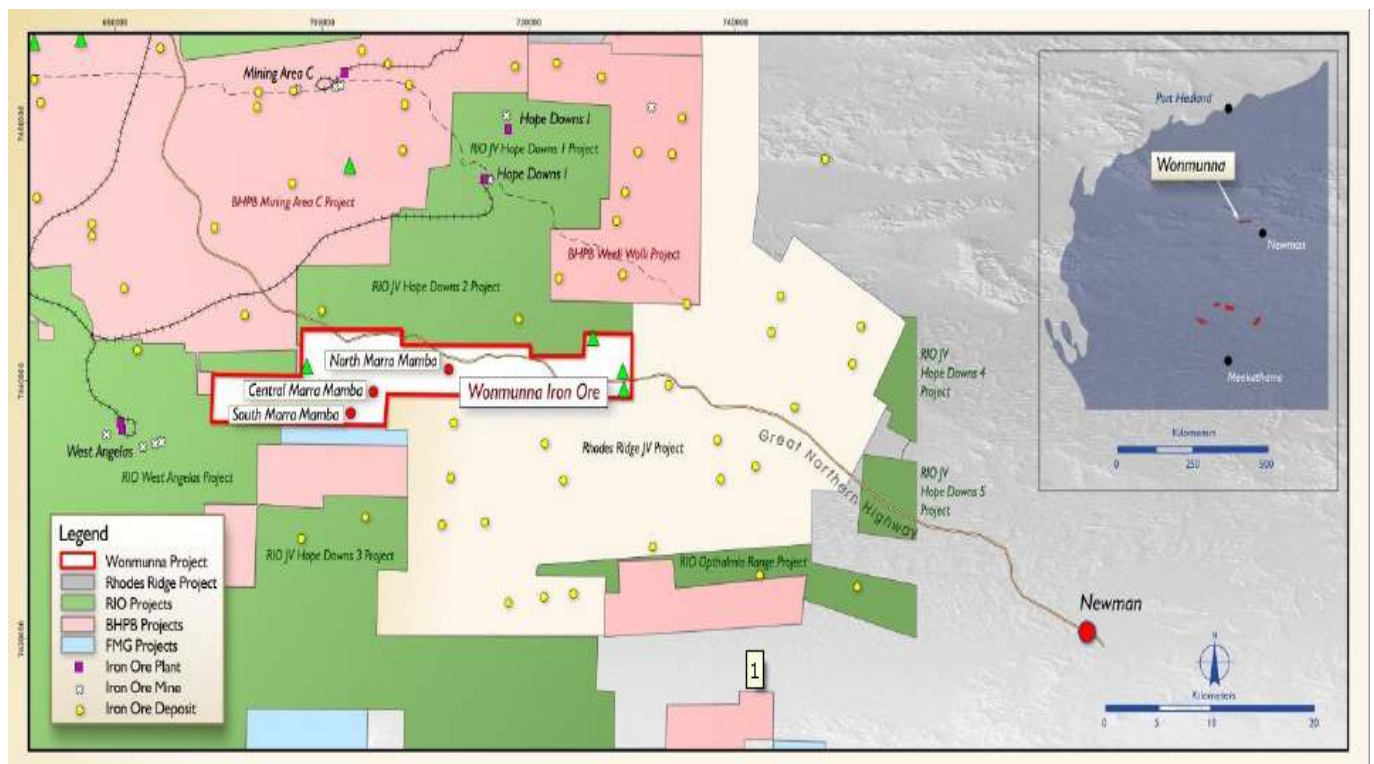
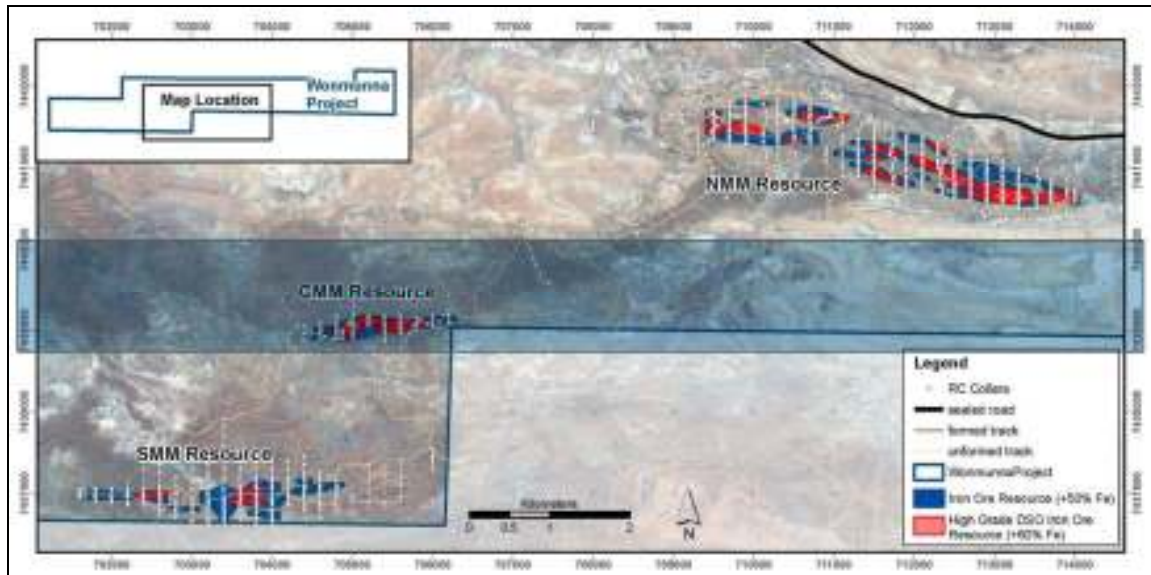
The Wonmunna Iron Ore Project Mineral Resource is contained within three separate deposits, North Marra Mamba (NMM), Central Marra Mamba (CMM) and South Marra Mamba (SMM; see Figure 2). These resources are summarised in the following table:

Inferred Mineral Resource estimated for the Wonmunna Project (at a 50% Fe cut-off grade) are 78.3 million tonnes grading 56.0% Fe, 6.6% SiO<sub>2</sub>, 3.6% Al<sub>2</sub>O<sub>3</sub>, 0.08% P and 9.2% LOI. This Inferred Mineral Resource estimate includes a high-grade Direct Shipping Ore (DSO) component (using a 60% Fe cut-off grade) of **10.0 million tonnes grading 61.3% Fe, 3.1% SiO<sub>2</sub>, 1.7% Al<sub>2</sub>O<sub>3</sub>, 0.08% P and 7.3% LOI, Table 1 below.**

**Table (1) Wonmunna Iron Ore Project - Inferred Mineral Resources.**

	Fe cut-off	Million Tonnes*	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %	LOI %
<b>NMM Resource</b>	50%	<b>47.2</b>	<b>55.9</b>	6.9	3.7	0.07	8.9
<b>NMM DSO Resource</b>	60%	<b>6.2</b>	<b>61.4</b>	3.0	1.8	0.07	7.2
<b>CMM Resource</b>	50%	<b>15.2</b>	<b>56.8</b>	5.7	3.3	0.10	9.5
<b>CMM DSO Resource</b>	60%	<b>2.4</b>	<b>61.2</b>	3.3	1.7	0.10	7.4
<b>SMM Resource</b>	50%	<b>15.9</b>	<b>55.3</b>	6.7	3.8	0.07	9.7
<b>SMM DSO Resource</b>	60%	<b>1.4</b>	<b>61.2</b>	2.9	1.6	0.06	7.6
<b>Total Resources</b>	50%	<b>78.3</b>	<b>56.0</b>	6.6	3.6	0.08	9.2
<b>Total DSO Resources</b>	60%	<b>10.0</b>	<b>61.3</b>	3.1	1.7	0.08	7.3

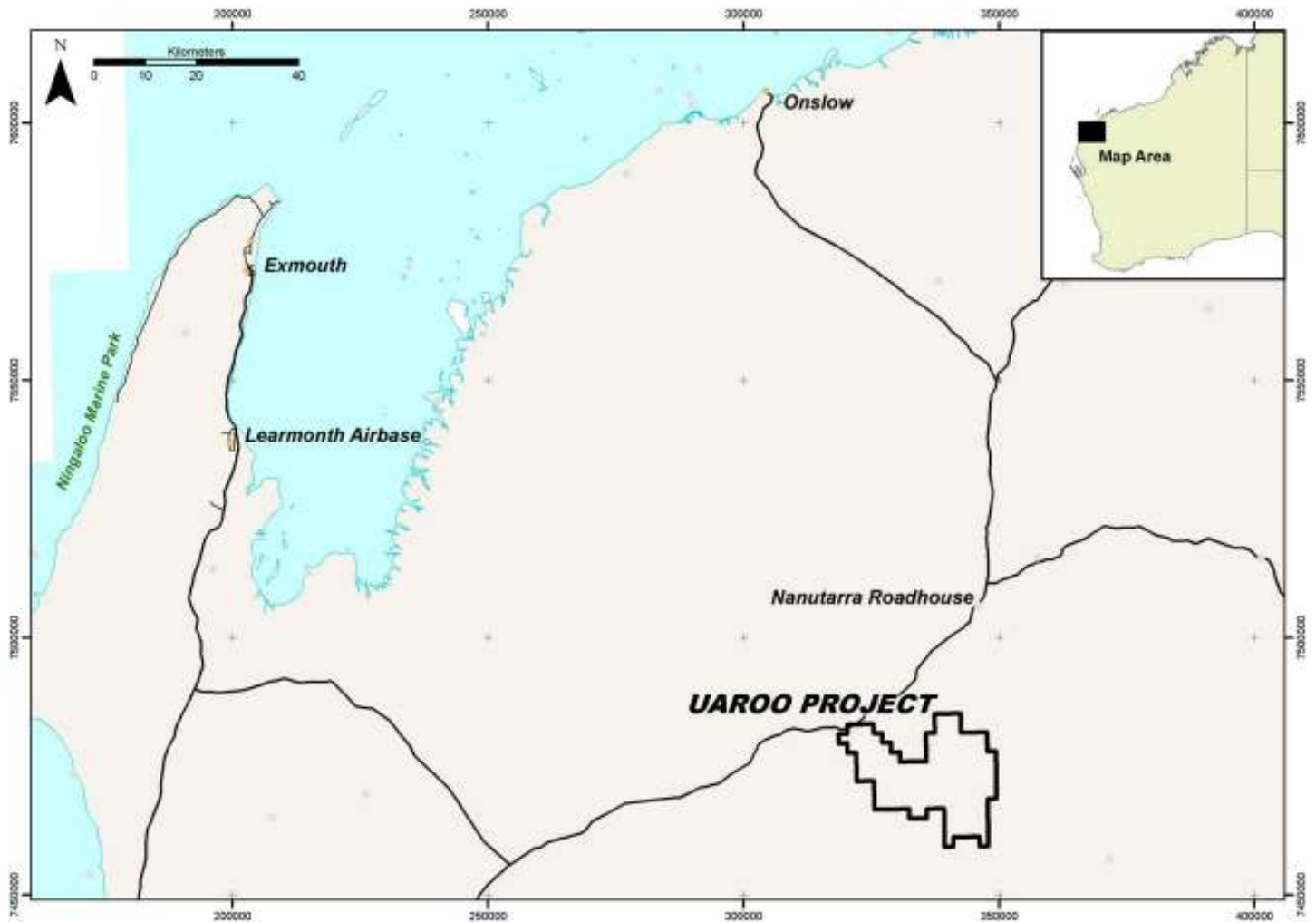
**Figure 1:** Location of Iron Ore Mineral Resources within the Wonmunna Project.



**Figure 2.** Location of the Wonmunna Project clearly bisected by the Great Northern Highway extending north of the Newman townsite.

## Uaroo

The Uaroo Project is located within the Ashburton Mineral Field approximately 370km north-east of Carnarvon (refer to **Figure 3**). Recent exploration field work has highlighted the potential of this project to contain substantial BIF-hosted magnetite deposits.



**Figure 3: Uaroo Project Location**

## **Transaction Details and Forward Plan**

The Executive Director of Corporate Affairs of ECE, Mr Vaz Hovanessian, said, “*The option to acquire the prospective and strategic iron tenements of Talisman Mining Ltd represents the next stage in the transformation of the Company. Whilst exciting, it is only our first step, and ECE will continue to actively pursue strategically placed iron ore projects in the Pilbara with a view to building a significant, Australian focused iron ore company*”.

Pursuant to the Option Agreement, the Company must pay to Talisman a non-refundable option fee as consideration for the grant of the Option. The option fee is an amount of \$2,000,000 payable as follows:

- \$500,000 upon execution of the Option Agreement (this amount has been paid); and
- \$1,500,000 upon shareholder approval of the payment of this amount being received.

The payment of the \$1,500,000 is subject to shareholders approving the payment in accordance with ASX Listing Rules 11.1.2. If shareholder approval of the payment of this amount is not received, the Option will immediately lapse and Talisman will be entitled to retain the \$500,000 payment. A notice of meeting relating to the approval of this payment will be dispatched to shareholders shortly.

The total consideration payable by the Company for the transfer of Talisman's interest in the tenements to ECE (upon exercise of the Option), Talisman will receive:

- The non refundable option fee of \$2,000,000 (referred to above);
- \$32,250,000 cash payment at settlement of the acquisition;
- \$7,100,000, to be satisfied by the issue of 35,500,000 fully paid ordinary ECE shares at a deemed issue price of \$0.20 (on a post consolidation basis) at settlement of the acquisition; and
- 1% gross royalty on all commodities produced and sold from both Wonmunna and Uaroo projects.

The exercise of the Option is subject to the following key conditions:

- ECE conducting due diligence on the Projects to its satisfaction;
- ECE and Talisman obtaining all necessary regulatory and shareholder approvals;
- ECE re-complying with Chapters 1 and 2 of the ASX Listing Rules and obtaining conditional approval from ASX for the re-quotation of ECE's shares on ASX; and
- ECE conducting a consolidation of its capital on a 1 for 25 basis (or such other terms required by ASX for the purpose of granting conditional approval for the re-quotation of Shares on the Official List);
- ECE completing a capital raising to raise a minimum of \$37,000,000 or up to \$45,000,000.

As a result of the structure of the Option Agreement and the operation of the ASX Listing Rules, ECE will need to seek a number of approvals from shareholders, which will be done in accordance with the following:

- A notice of meeting will be prepared and dispatched to shareholders as soon as practicable seeking the approval of shareholders for the payment of the \$1,500,000 component of the Option Fee ("1<sup>st</sup> Notice of Meeting"); and
- A notice of meeting will be prepared and dispatched to shareholders upon ECE completing due diligence on the Projects to its satisfaction, seeking the approval of shareholders for the following:
  - The consolidation of capital;
  - The proposed capital raising; and
  - The issue of shares to Talisman as consideration under the Option Agreement,

("2<sup>nd</sup> Notice of Meeting").

The ECE Board will commission an Independent Expert to assess whether the terms of the tenement acquisition are fair and reasonable to ECE's shareholders. The Independent Expert's Report will be included in the Notice of Meeting.

If shareholders approve the exercise of the Option, trading in the Company's securities will be suspended until the requirements of Chapters 1 and 2 of the ASX Listing Rules have been satisfied. An indicative timetable is set out below.

Once the Option has been exercised, the re-structuring of ECE's management and Board will be completed under the guidance of Ochre Management and strategic partners to bring further technical and corporate expertise to ECE.

#### **Indicative Timetable**

Dispatch 1 <sup>st</sup> Notice of Meeting	11 October 2010
1 <sup>st</sup> Shareholder Meeting	11 November 2010
Complete Due Diligence	11 November 2010 – 10 December 2010
Dispatch 2 <sup>nd</sup> Notice of Meeting	20 December 2010
Issue Prospectus	14 January 2011
2 <sup>nd</sup> Shareholder Meeting	24 January 2011
Shares Suspended from Trading	24 January 2011
Close Prospectus	31 January 2011
Exercise of Option	2 February 2011
Issue Shares under Prospectus	2 February 2011
Dispatch Date	2 February 2011
Complete acquisition	2 February 2011
ASX Trading resumes	7 February 2011

# PRO -FORMA BALANCE SHEET

## E-COM MULTI LIMITED

30 June 2010 - Audited, Pro-Forma - Unaudited

	30-Jun-10	Pro-Forma
	\$	\$
<b>CURRENT ASSETS</b>		
Cash	1,589,941	2,139,941
Receivables	542,393	542,393
Financial Assets	310,026	310,026
<b>Total Current Assets</b>	<b>2,442,360</b>	<b>2,992,360</b>
<b>NON-CURRENT ASSETS</b>		
Deposits & Bonds	13,529	13,529
Property plant & equipment	3,007	3,007
Exploration Tenements	-	41,350,000
<b>Total Non-current Assets</b>	<b>16,536</b>	<b>41,366,536</b>
<b>TOTAL ASSETS</b>	<b>2,458,896</b>	<b>44,358,896</b>
<b>CURRENT LIABILITIES</b>		
Payables	221,127	221,127
<b>Total Current Liabilities</b>	<b>221,127</b>	<b>221,127</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	-	-
<b>Total Non-current Liabilities</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>221,127</b>	<b>221,127</b>
<b>NET ASSETS</b>	<b>2,237,769</b>	<b>44,137,769</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	40,493,150	82,593,150
Reserves	839,705	839,705
Accumulated losses brought forward	(37,380,751)	(37,380,751.00)
Current Years Earnings	(1,714,335)	(1,914,335.00)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,237,769</b>	<b>44,137,769</b>

Note: The pro-forma balance sheet has been prepared on the assumption that the Company raises a total of \$37,000,000 and that total costs of the transaction are \$2,200,000.

Further information in relation to the project acquisition will be provided to shareholders in the notice of meeting and explanatory statement to be sent to shareholders in the coming weeks.

For further information please contact:

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E-Com Multi Limited  
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**MR VAZ HOVANESSIAN**

Executive Director – Corporate Affairs  
E-Com Multi Limited  
0416 151 157

***Competent Persons' Statement***

*The geological information in this document has been provided by Talisman Mining Ltd and is reproduced here by the kind permission of Talisman Mining Limited and its exploration manager Mr Harry Cornelius.*

*Any information in this ASX release that relates to Exploration Results is based on information compiled by Mr Harry Cornelius, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Harry Cornelius is a full time employee of Talisman Mining Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Harry Cornelius consents to the inclusion in this report of the matters based on information in the form and context in which it appears.*