

30 July 2019

ASX RELEASE

June 2019 Quarterly Activities Report

Philippine Iron Sands-Vanadium Magnetite Project/CIS Loan Agreement

The Company's investment in the Philippines Iron Sands Vanadium-Magnetite Project, is through loan advances to Consolidated Iron Sands Limited (**CIS**) or its Philippine's based subsidiary, Luzon Iron Development Group Corporation (**LIDGC**). These advances are made under a Secured Loan Agreement entered into in 2012 (and varied in 2014) by Global's wholly owned subsidiary Goldfleet Enterprises Pty Ltd (**Goldfleet**).

CIS holds, via LIDGC, its 97% owned Philippine subsidiary, Exploration Permits for two offshore areas between Sanchez Mira and Gonzaga, offshore of Cagayan Province Luzon. The Exploration Permit's eastern limit is 3 kms from the Economic Free Zone of Port Irene.

As announced on 23rd April 2019, the Company was provided notification by the Directors of CIS that LIDGC had officially received advice from the Philippines Mines and Geosciences Bureau (MGB) (via letter) that the MGB had denied the renewal of the Exploration Permits.

As at 30 June 2019, total funds advanced under the Secured Loan Agreement (including accrued interest on the amounts advanced) was \$4,300,130.45 (since 2012). The Secured Loan Agreement continues to be on foot and will be reviewed by the Company given the renewal decision.

The Company is disappointed with the outcome of the renewal process and is currently undertaking a review of its options in respect to the MGB's decision.

Southern Georgina Basin

On the 12th June 2019 Global Vanadium Limited ("**Global**" or "**the Company**") held a shareholders meeting seeking shareholder approval pursuant to Listing Rule 11.2 in relation to the sale of its 100% owned Exploration Permit 127, the Southern Georgina Project. Shareholder approval was obtained on a show of hands at the meeting.

Completion of this agreement is subject to and conditional upon each of the following Conditions being satisfied or waived in accordance with this agreement by the latest date being 30 November 2019:

- a) (IPO) the Buyer successfully completing an initial public offering, raising a minimum of £2,500,000, or the minimum amount required by the London Stock Exchange (LSE) as a condition to the Buyer being admitted to the official list of the LSE (standard segment),

whichever is the lesser, on terms and conditions which are acceptable to the Buyer in its sole and absolute discretion;

- b) (Application for Admission) the Buyer's application for admission to the LSE (standard segment) being accepted, on terms and conditions which are acceptable to the Buyer in its sole and absolute discretion;
- c) (Admission and Quotation) the Buyer being admitted to the official list of, and all of its shares being admitted to quotation on, the LSE (standard segment);
- d) (Minister consent): the Buyer having obtained any necessary written consents of the Minister under the Petroleum Act for the transfer of the Tenements as contemplated in this agreement (and if any such consent is granted subject to any condition(s), such condition(s) being acceptable to the Buyer in its sole and absolute discretion); and
- e) (Seller approvals): the Seller obtaining all requisite shareholder and regulatory approvals pursuant to the ASX Listing Rules and Corporations Act to give effect to the transactions contemplated in this Agreement (if any). Specifically the Company will be seeking shareholder approval pursuant to ASX Listing Rule 11.4.

Consultation on proposed reserved blocks Petroleum Act 1984

During the June 2019 quarter, Northern Territory Department of Primary Industry and Resources ("DPIR") notified the Company of the opportunity to provide submissions in response to a consultation paper on proposed reserved blocks (no go zones) for petroleum activities in the Northern Territory.

The consultation paper has been developed following the Government's acceptance of all 35 recommendations made in the Final Report of the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory ("Inquiry").

The Inquiry made three specific recommendations (Recommendation 14.4, 14.3 and 14.5) regarding areas of land that must be declared reserved blocks under section 9 of the *Petroleum Act 1984* (NT).

A reserved block is land that is not able to be considered as part of a land release for exploration and companies are not able to apply for an exploration permit or a licence over these areas.

Where proposed reserved blocks are on Aboriginal land, as determined by the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) ("ALRA"), the Government will respect the legal rights that Traditional Owners have to control and determine what activity (if any) occurs on their land.

Additionally, where an exploration permit application is over ALRA land, the Government will not proceed to declare a reserved block over any areas as specified by the Inquiry, unless it is requested by the Traditional Owners through the relevant Aboriginal Land Council during the consent to negotiate process.

The Northern Territory Government expects companies with a granted exploration permit that is not on ALRA land to voluntarily relinquish the blocks within its permit that are affected by the reserved blocks.

The Company submitted a formal submission to the Northern Territory Government Department of Primary Industry and Resources on the 21st June 2019. The Company will update shareholders on the outcome of the Consultation process when completed.

Cervantes Corporation Loan

On the 7th June 2019 the Company gave written notice to Cervantes Corporation Limited, in accordance with the terms of the Loan Agreement, that all amounts payable under the Loan Agreement must be repaid, either on or before 8 June 2021, or, on or before 8 June 2020.

The Board is reviewing and considering the terms of the Amendment Agreement and the Loan Agreement and the Company's basis for entering into the Amendment Agreement. The date for repayment of the loan will be determined with the outcome of the Company's review of the legality of the Loan Agreement and Amendment Agreement.

New Project Acquisitions

The Company advised shareholders that the ASX has determined that the Southern Georgina Project is the Company's main undertaking. Accordingly, the Company had to temporarily end negotiations with parties on the previously announced acquisition of an African based vanadium magnetite project and further high grade vanadate project (refer to the last paragraph of the Company's announcement dated 23 April 2019), given that ASX's current determination is that these acquisitions would trigger full re-compliance with Chapters 1 and 2 of the ASX listing rules in their current form. The Company is continuing to liaise with ASX as to what appropriate deal transactions can be structured moving forward.

The company is continuing to advance its current assets and will continue to also review new project opportunities to maximise shareholder value.

If you have any queries, please contact the Company on +61 8 6380 2470.

Jason Brewer
Director
Global Vanadium Limited