



30 April 2019

**ASX RELEASE**

## **March 2019 Quarterly Activities Report**

### **Philippine Iron Sands-Vanadium Magnetite Project/CIS Loan Agreement**

Company's investment in the Philippines Iron Sands Vanadium-Magnetite Project, is currently 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.

Late December 2018 , Goldfleet declined to advance the requested amount of the December budget (AU\$30,890) and notified CIS and LIDGC that further funding of their monthly budgets would be considered for LIDGC if the requested December budget was revised to incorporate only costs to protect and preserve the Exploration Permits. To date CIS and LIDGC have refused to provide a revised budget to the satisfaction of the Company. Notwithstanding CIS/LIDGC's refusal, GLV advanced an additional \$10,000 to LIDGC on 18 January 2019 (on behalf of CIS), in good faith, so that LIDGC could meet specific operational expenses whilst further options in respect of the Exploration Permits were explored by GLV and CIS.

No further advances were made to LIDGC during the March 2019 quarter.

Subsequent to the quarter end and as announced on 23<sup>rd</sup> April 2019, the Company on Friday 19 April 2019 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.

The Company intends to continue to work in good faith with CIS and LIDGC and is currently undertaking a review of its options in respect to the MGB's decision.

### **Southern Georgina Basin**

During the March 2019 quarter, Global Vanadium Limited ("**Global**" or "**the Company**") provided the following update to shareholders regarding the execution of a Tenement Sales Agreement ("**Agreement**") for its 100% owned Southern Georgina Project.



The Company entered into an agreement with Westmarket Oil & Gas Pty Ltd (“buyer”) to acquire its 100% interest in tenement EP127. The total consideration payable on successful completion of the transaction is AUD\$1,500,000, comprised of as follows:

**1. Cash consideration of AUD\$500,000**

At completion the buyer pay the Company a cash consideration of AUD\$500,000, less any deposit paid. The Company will be paid a non-refundable deposit of AUD\$35,000.

**2. Stock consideration of AUD\$1,000,000**

Issue to the Company the equivalent of AUD\$1,000,000 of shares, at a deemed issue price equivalent to the IPO price on the London Stock Exchange (LSE).

**3. Royalty Amount of 1% for a period of 5 years**

The Royalty Term shall be 1% of the net return from the sale of Petroleum produced, removed or disposed of from the tenements during the royalty term of 5 years.

**Conditions Precedent to the Agreement**

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.

The Company confirms that the buyer is not a related party or an associate of the Company.

The Company will be 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.

### **New Project Acquisitions**

The Company completed a review of a shortlist of both early stage and advanced projects that was compiled over the previous months. Director Jason Brewer and the Company's geological and metallurgical consultants have conducted several due diligence site visits and numerous technical and legal meetings during that period.

As announced on the 29<sup>th</sup> April 2019 the Company has temporarily ended its negotiations with parties regarding the previously announced acquisition of an African based vanadium magnetite project and further high grade vanadium project (refer to 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.

### **Corporate**

During the March 2019 quarter, the Company released its December 2018 interim financial statements.

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

Jason Brewer  
Director  
Global Vanadium Limited