GLOBAL VANADIUM LIMITED

(Formerly Baraka Energy & Resources Ltd)

ABN 80 112 893 491

and Controlled Entities

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2018

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(Formerly Baraka Energy & Resources Ltd)
ABN 80 112 893 491
and Controlled Entities
Interim Financial Report
for the Half-Year ended 31 December 2018

DIRECTORS' REPORT

The directors of Global Vanadium Limited ("Global " or the "Company") submit their report for the half year ended 31 December 2018.

DIRECTORS

The names of the Company's directors in office during the half year period and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Christopher Zielinski	Chairman	Appointed 10 August 2018
Patric Glovac	Non-Executive Director	Appointed 10 August 2018
Jason Brewer	Non-Executive Director	Appointed 10 August 2018
Collin Vost	Managing Director/Chairman	Resigned 10 August 2018
Justin Vost	Non-Executive Director	Resigned 10 August 2018
Ray Chang	Non-Executive Director	Resigned 10 August 2018

REVIEW AND RESULTS OF OPERATIONS

The consolidated net loss from continuing operations after income tax for Global and its subsidiaries ("the Group" or "the consolidated entity") for the half year ended 31 December 2018 was $1,233,227 (2017: $1,205,819).

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.

During the period in which the Current Board of Global undertook its review of the Philippines Iron Sands Vanadium-Magnetite Project, being September, October and November 2018, Global provided LIDGC (as CIS's nominee and subsidiary) with its requested monthly budget advances under the existing Secured Loan Agreement of AU$26,126.26, AU$29,937.56 and $29,936.53 respectively. Total advancements made by the previous Board in July and August 2018 amounted to $53,186.23.

As at 31 December 2018, total funds advanced under the Secured Loan Agreement (including accrued interest on the amounts advanced) was $4,068,930. This amount is over and above the amount envisaged to be loaned by Goldfleet to CIS under the Secured Loan Agreement.

During late November and December additional information was provided regarding the status of the Exploration Permits in various communications with LIDGC and from the ongoing technical and legal review conducted by the Company's in-country consultant. As a result of the Company's review of this information, including but not limited to the fact that: (a) it is unclear when the current "renewal" of the Exploration Permits will be granted by the Philippines authorities; (b) none of the loan funds requested in LIDGC's December budget were being used to protect and preserve the Exploration Permits or meet the expenditure required under Philippines law; and (c) the current extent of loan monies provided by GLV/Goldfleet to CIS (and its subsidiary LIDGC) under the Secured Loan Agreement, 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.

The Company intends to continue to work in good faith with CIS and LIDGC.

SOUTHERN GEORGINA BASIN

Given the lifting of a fracking moratorium, by the Northern Territory Government earlier this year the Company has had significant interest in the Project. The Company has engaged with an unrelated corporate firm for an exclusive period of 4 months to pursue a potential joint venture or other divestment opportunity. An exclusivity fee of $20,000 was paid to the Company in this regard.

As part of its strategic review of the Company's assets it was concluded that EP 127 is in good standing and represents an under explored asset with potential to add significant value to the Company. The Company has recently been advised that the Northern Territory Government has approved the Company's work commitments and also all maintenance and annual fees have been paid up to 13 December 2019.

VANADIUM FOCUS – OTHER PROJECTS

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 in South Africa during that period.

The Company is currently actively pursuing negotiations on two project opportunities, which were identified during this process. To date, these project opportunities have met all the Company's technical and due diligence requirements (which are ongoing). Negotiations, although at a high level, are incomplete. Accordingly, the Company will continue to provide updates to its shareholders on the progress of these discussions in due course.

CORPORATE

Mr Jason Brewer, Mr Patric Glovac and Mr Chris Zielinski were appointed as the new Board of Directors Global Vanadium Limited (formerly Baraka Energy & Resources Ltd) on 10 August 2018. Further to this, Mr Collin Vost, Mr Justin Vost and Mr Ray Chang tendered their resignations as Directors of the Company. As a result, the shareholder meeting schedule for 10 August 2018 pursuant to sections 249D and 2203D of the Corporation Act 2001 was not held.

The new Board of Global Vanadium Ltd is thankful to shareholders for their overwhelming response and support to date.

The Company undertook a Share Purchase Plan (SPP) during the quarter which closed on 26 September 2018, with applications received from eligible shareholders totalling $785,000.

The Company's Annual General Meeting was held on 29 November 2018 and all resolutions were passed and decided by way of poll.

EVENTS SUBSEQUENT TO REPORTING DATE

On the 14th January 2019 the Company announced that it had engaged an unrelated corporate firm for an exclusive period of 4 months to pursue a potential joint venture or other divestment opportunity of the Southern Georgina Basin Project. An exclusivity fee of $20,000 was paid to the Company in this regard. As part of its strategic review of the Company's assets it was concluded that EP 127 is in good standing and represents an under explored asset with potential to add significant value to the Company.

No other matters or circumstances have occurred subsequent to reporting date that would have a material impact on the consolidated financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2018.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Chris Zielinski
Chairman
15 March 2019

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF GLOBAL VANADIUM LIMITED

As lead auditor for the review of Global Vanadium Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Global Vanadium Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 15 March 2019

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	Consolidated 31 December 2018 $	Consolidated 31 December 2017 $
OTHER INCOME			
Interest	2(a)	235,272	246
Increase in fair value of held for trading investments		-	74,524
		235,272	**74,770**
EXPENDITURE			
Loss on disposal of investments	2(b)	(3,588)	(988,403)
CVS loan write-down	5(a)	(644,924)	-
Provision non recovery CIS Loan	5(b)	(355,291)	-
Employee benefits expenses		(71,705)	(30,000)
Occupancy	2(c)	(13,542)	(28,874)
Technical consultants and contracts	2(c)	(103,724)	(125,200)
Travel		(14,292)	(1,320)
Finance cost		(395)	(582)
Administration expenses	2(c)	(261,037)	(106,210)
		(1,468,499)	**(1,280,589)**
Profit (Loss) before income tax		**(1,233,227)**	**(1,205,819)**
Income tax (expense)/benefit		-	-
Total Comprehensive income (loss)net of income tax		**(1,233,227)**	**(1,205,819)**
Earnings per share (cents per share):			
Basic earnings (loss) per share		(0.044)	(0.052)

The above statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	Consolidated 31 December 2018 $	30 June 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	468,774	576,448
Prepayments		13,288	-
Other financial assets		-	84,458
TOTAL CURRENT ASSETS		**482,062**	**660,906**
NON-CURRENT ASSETS			
Other assets	5	612,476	1,257,400
Exploration and evaluation expenditure	6	3,541,776	3,493,230
TOTAL NON-CURRENT ASSETS		**4,154,252**	**4,750,630**
TOTAL ASSETS		**4,636,314**	**5,411,536**
CURRENT LIABILITIES			
Trade and other payables		34,244	356,320
TOTAL CURRENT LIABILITIES		**34,244**	**356,320**
TOTAL LIABILITIES		**34,244**	**356,320**
NET ASSETS		**4,602,070**	**5,055,216**
EQUITY			
Issued capital	7	55,759,618	54,979,537
Accumulated losses		(51,157,548)	(49,924,321)
TOTAL EQUITY		**4,602,070**	**5,055,216**

The above statement of financial position should be read in conjunction with the accompanying notes.

INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Note	Consolidated 31 December 2018 $	31 December 2017 $
Cash flows from operating activities			
Miscellaneous income		20,000	-
Payments to suppliers and employees		(805,189)	(207,507)
Interest received		1,167	246
Interest paid		-	(48)
Net cash flows used in operating activities		**(784,022)**	**(207,309)**
Cash flows from investing activities			
Payments for financial assets		-	-
Proceeds from sale of financial assets		86,000	606,008
Payments for exploration and evaluation expenditure		(48,546)	(24,866)
Loans to other entities		(141,187)	(385,649)
Repayment of loans to other entities		-	-
Net cash flows (used in)/provided by investing activities		**(103,733)**	**195,493**
Cash flows from financing activities			
Proceeds from issue of shares		785,000	119,798
Payments for share issue costs		(4,919)	(50,209)
Net cash flows from financing activities		**780,081**	**69,589**
Net (decrease) in cash and cash equivalents		(106,674)	57,773
Cash at the beginning of the period		576,448	167,607
Cash and cash equivalents at the end of the period	4	**468,774**	**225,380**

The above statement of cash flows should be read in conjunction with the accompanying notes.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

		Attributable to equity holders of the parent Consolidated		
	Note	Issued Capital $	Accumulated Loss $	Total Equity $
CONSOLIDATED				
As at 1 July 2017		54,251,948	(41,776,618)	12,801,694
Loss for the period		-	(1,205,819)	(1,205,819)
			(42,982,437)	11,269,511
Equity Transactions				
Issue of share capital		119,798	-	119,798
Share issue costs		(50,209)	-	(50,209)
As at 31 December 2017		54,321,537	(42,982,437)	11,339,100
CONSOLIDATED				
As at 1 July 2018		54,979,537	(49,924,321)	5,055,216
Loss for the period		-	(1,233,227)	(1,233,227)
Equity Transactions				
Issue of share capital	7	785,000	-	785,000
Share issue costs	7	(4,919)	-	(4,919)
As at 31 December 2018		55,759,618	(51,157,548)	4,602,070

The above statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1. Basis of Preparation

This general purpose financial report for the interim half-year reporting period ended 31 December 2018 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by Global Vanadium Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and amended Accounting Standards

A number of new or amended standards became applicable for the current reporting period and the Group has changed its accounting policies as a result of the adoption of the following standards:

- AASB 9 *Financial Instruments*; and
- AASB 15 *Revenue from Contracts with Customers*.

The impact of the adoption of these standards and the new accounting policies are disclosed below. The impact of these standards, and the other new standards and amended standards adopted by the Group, has not had a material impact on the amounts presented in the Group's financial statements.

AASB 9 Financial Instruments – Impact of Adoption

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 from 1 July 2018 did not give rise to any material transitional adjustments, but has changed the Group's accounting policies in relation to the adoption of AASB 9's new expected credit loss model. Under AASB 9, the Group was required to revise the impairment methodology used in the calculation of its provision for doubtful debts to the expected credit loss model.

Impairment

From 1 July 2018 the group assesses on a forward looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For long term receivables, the ECL is based on either the 12-month or lifetime ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. When there has been a significant increase in credit risk since originiation, the allowance will be based on the lifetime ECL. In all cases, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

The Group considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

On the above basis, a loss allowance of $68,053 was recognised for the long term receivables.

AASB 15 Revenue from Contract with Customers – Impact of Adoption

The Group has adopted AASB 15 from 1 July 2018 which has no material impact to the amounts recognised in the financial statements.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2018.

Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the six-month period ended 31 December 2018 the Group made a loss of $1,233,227 and had cash outflows from operating activities of $784,022. In the short term, the ability of the Group to continue as a going concern is dependent on securing additional funding. These conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report. The financial report has been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group currently has sufficient cash resources to fund its requirements currently.
- The Directors expect the Group to be successful in securing additional funds through debt or equity issues, when and if required.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

Statement of compliance

The interim financial statements were authorised for issue on 15 March 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

2. OTHER INCOME AND EXPENSES

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the consolidated entity:

	Consolidated 31 December 2018 $	Consolidated 31 December 2017 $
(a)Other Income		
Bank interest	1,167	246
Consolidated Iron Sands Ltd interest on Loan	214,105	-
Other (exclusivity agreement fee)	20,000	-
(b) Other gain (losses)		
Loss on sale of investment	(3,588)	(988,403)
(c) Other expenses		
Occupancy expenses	13,452	28,874
Technical consultants and contracts	103,724	125,200
Administration expenses	261,037	106,210
CVS Loan write-down	644,924	-
Provision for non-recovery CIS loan	355,291	-

3. DIVIDENDS PAID OR PROPOSED

No dividend was paid or proposed during the period.

4. CASH AND CASH EQUIVALENTS

For the purposes of the Condensed Cash Flow Statement, cash and cash equivalents comprise the following:

	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
Cash at bank and in hand	468,774	576,448
	468,774	**576,448**

5. OTHER ASSETS

		Consolidated Entity	
		31 Dec 2018 $	30 June 2018 $
NON-CURRENT			
Loan to unrelated entities – unsecured (Cervantes Corporation Ltd)	**a**	612,476	1,257,400
Loans to unrelated entities – secured	**b**	4,048,930	3,713,639
Provision for non-recovery loan	**b**	(4,048,930)	(3,713,639)
		612,476	**1,257,400**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

Note a

During the December 2018 half, the loan to publicly listed company Cervantes Corporation Limited was amended by the previous Board to $900,000, repayable over twenty four months, interest free. This represented an impairment of $357,400. The loan is now treated as a non-current receivable (In the 30 June 2018 Financial Statements it was a current receivable). New accounting standard AASB9 Financial Instruments requires the Company to conduct a credit risk assessment of this loan. To comply with AASB 9 Financial Instruments, the Board calculated the present value of the loan to be received in 2 years assuming a 15% interest rate, and applying a discount for credit risk. This represented a further impairment amount of $287,524 representing a total impairment amount for the half year ended 31 December 2018 of $644,924. The loan value as at 31 December 2018 is $612,476.

Note b

The loan amount of $4,048,930 (30 June 2018: $3,713,639) includes accrued interest and penalty interest lent to an unlisted public company, Consolidated Iron Sands Limited (CIS) and indirectly its Philippine subsidiary, Luzon Iron Development Group Corporation (Luzon), provided under a "Secured Converting Loan and Profit Sharing Agreement". The security for the loan comprises a controlling interest in Luzon which owns two exploration licences. Previous Company Directors Collin Vost and Justin Vost are Directors of Luzon. The provision amount has accordingly been increased by $355,291 (represented the increase in loan amount over the December 2018 half) as the Company is unable to determine the recoverability of the loan, however the current Directors of the Company are of the understanding that the loan is secured and the Company will exercise its rights over the security should the loan not be paid when called.

6. EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs carried forward in respect of exploration areas of interest	3,541,776	3.493,230
	3,541,776	**3,493,230**
Opening balance	3,493,230	6,928,879
Additions	48,546	57,581
Impairment	-	(3,493,230)
Closing balance	**3,541,776**	**3,493,230**

The ultimate recoupment of the Company's expenditure on its oil and gas interests is dependent upon the successful development and commercial exploitation or sale of the respective interests at amounts at least equal to book value

7. ISSUED AND PAID UP CAPITAL

	Consolidated 31 December 2018 $	**Consolidated 30 June 2018 $**
Fully paid ordinary shares		
Opening balance	54,979,537	54,251,948
28 September 2018	785,000	-
12 September 2017	-	119,810
4 May 2018	-	600,000
28 June 2018	-	100,000
Transaction costs	(4,919)	(92,221)
Closing balance	**55,759,618**	**54,979,537**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Consolidated 31 December 2018 No	Consolidated 30 June 2018 No
Opening balance	2,695,146,598	2,225,337,344
Share Purchase Plan 28 September 2018	130,833,306	-
Issue 12 September 2017	-	119,809,254
Placement 4 May 2018	-	300,000,000
Placement 28 June 2018	-	50,000,000
Closing balance	**2,825,979,904**	**2,695,146,598**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

8. SEGMENT REPORTING

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

During the period, the consolidated entity only operated in one geographical segment being Australia, and on one business segment being mineral exploration and development.

9. CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities or contingent assets at 31 December 2018 not otherwise disclosed in this report.

10. COMMITMENTS

There has been no changes in commitments since the last annual reporting date.

11. RELATED PARTY TRANSACTIONS

On 10 August 2018, Mr Jason Paul Brewer, Mr Christopher Jan Zielinski and Mr Patrick Michael Glovac were appointed to the board to replace Mr Collin Vost, Mr Justin Vost and Mr Ray Chang who resigned. All three Directors receive Annual Directors Fees of $48,000 on a monthly basis plus statutory superannuation. There are no termination benefits.

The Company has entered into a sub-lease arrangement with GTT Ventures Pty Ltd at $2,000 per month plus GST. Director Patrick Glovac is a Director and shareholder of GTT Ventures Pty Ltd.

Company has engaged the services of Nova Legal Corporate Lawyers as required. Director Chris Zielinski is a Director of Nova Legal Corporate Lawyers.

12. EVENTS SUBSEQUENT TO REPORTING DATE

On the 14th January 2019 the Company announced that it had engaged an unrelated corporate firm for an exclusive period of 4 months to pursue a potential joint venture or other divestment opportunity of the Southern Georgina Basin Project. An exclusivity fee of $20,000 was paid to the Company in this regard. As part of its strategic review of the Company's assets it was concluded that EP 127 is in good standing and represents an under explored asset with potential to add significant value to the Company.

No other matters or circumstances have occurred subsequent to reporting date that would have a material impact on the consolidated financial statements.

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Global Vanadium Limited (the "consolidated entity"), in the opinion of the directors:

(a) the half year interim financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2018 and the performance for the half year ended on that date; and

(ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Chris Zielinski

Chairman

Perth, 15 March 2019

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Global Vanadium Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Global Vanadium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 15 March 2019