GLOBAL VANADIUM LIMITED

(formerly Baraka Energy & Resources Limited)
Annual Report

for the year ended 30 June 2019

CONTENTS

CORPORATE INFORMATION

ABN 80 112 893 491

Directors

Mr Chris Zielinski	Non-Executive Chairman
Mr Patrick Glovac	Non-Executive Director
Mr Jason Brewer	Non-Executive Director

Company secretary

Mrs Anna MacKintosh

Registered and Principal Office

22 Townshend Road
Subiaco WA 6008

Telephone: 08 6380 2470
Website: www.globalvanadium.com.au

Share register

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009
Telephone: 08 9389 8033

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Bankers

NAB
100 St. Georges Terrace
Perth WA 6000

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Securities Exchange Listing

Global Vanadium Limited shares are listed on the Australian Securities Exchange (ASX: GLV)

DIRECTOR'S REPORT

Your directors present their report together with the financial statements of the Group consisting of Global Vanadium Limited ("the Company") and the entities it controlled during the year for the financial year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

Directors

The names of directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Chris Zielinski (Non-Executive Chairman) Bachelor of Laws and Bachelor of Commerce (Finance)

Experience and expertise	Mr Zielinski is a corporate lawyer with over 10 years' experience. He is a director at the West Australian corporate law firm, Nova Legal. Mr Zielinski primarily works in mergers and acquisitions, capital raisings, regulatory compliance and commercial transactions with particular experience in the resources and technology sectors. Mr Zielinski was appointed to the board on 10 August 2018.
Other current directorships	
Former listed directorships in last 3 years	Non-executive Director Caeneus Mineral Ltd

Mr Patrick Glovac B.Com (Non-Executive Director) Bachelor of Commerce, Diploma of Management

Experience and expertise	In 2013 Mr Glovac co-founded GTT Ventures Pty Ltd (GTT), a boutique corporate advisory firm, specialising in the resource and technology sector. GTT has funded numerous listed and private companies since its inception across multiple markets including Australia, USA and the United Kingdom. Previously he worked as an investment advisor for Bell Potter Securities Limited since 2003, focusing on high net-worth clients and corporate advisory services. Mr Glovac was appointed to the board on 10 August 2018.
Other current directorships	Executive Director TAO Commodities Ltd (ASX.TAO)
Former listed directorships in last 3 years	Non-executive Director Force Commodities Ltd (ASX.4CE) Non-executive Director Robo 3D Limited Non-executive Director Cirrus Network Holdings Ltd

Mr Jason Brewer (Non-Executive Director) Masters Degree with Honours from Royal School of Mines, London

Experience and expertise	Mr Brewer has 18 years' experience in mining, equity investment, corporate and project financing, capital raising, investment advising and evaluation of resource companies. Mr Brewer has experience in a variety of commodities having worked in underground and open-cast mining operations in the UK, Australia, Canada and South Africa. In addition, Mr Brewer has worked for a number of major global investment banks including Dresdner Kleinwort Benson, NM Rothschild & Sons (Australia) Limited and Investec Bank (Australia) Limited in London, Sydney and Perth where he had responsibility for structuring and arranging corporate and project financing facilities for mining companies operating in Asia and Africa. Mr Brewer was appointed to the board on 10 August 2018.
Other current directorships	Non-executive Director Metalsearch Limited (ASX.MSE) Non-executive Director TAO Commodities Limited (ASX.TAO) Managing Director Force Commodities Ltd (ASX.4CE) Non-executive Chairman Winmar Resources Limited (ASX.WFE)
Former listed directorships in last 3 years	Non-executive Director Cape Lambert Limited (ASX.CFE) Non-executive Director Vector Resources Limited (ASX.VEC)

DIRECTOR'S REPORT cont.

Mr Collin Vost (Executive Chairman) resigned 10 August 2018

Experience and expertise	Mr Vost has been involved in public companies for the past 30 years and has served on the Board of several, mostly junior resource companies as well as being involved in the securities dealing business since 2001. Mr Vost was appointed to the Board on 18 May 2009 and resigned 10 August 2018.
Other current directorships	Director/Chairman Cervantes Corporation Ltd (ASX.CVS)
Former listed directorships in last 3 years	Director JV Global Ltd (ASX.JVG)

Mr Justin Vost (Non-Executive Director) resigned 10 August 2018

Experience and expertise	Mr Vost was appointed to the Board on 15 March 2011. Mr Vost has experience in mining, manufacturing and capital markets. Mr Vost resigned on 10 August 2018.
Other current directorships	Non-executive Director Cervantes Corporation Ltd (ASX.CVS)
Former listed directorships in last 3 years	Director JV Global Ltd (ASX.JVG)

Mr Ray Chang (Non-Executive Director) resigned 10 August 2018

Experience and expertise	Mr Chang was appointed to the Board on 23 November 2011. Ray Chang has over 39 years experience including the Atomic Energy Commission in Taiwan, University of Calgary in Canada, University of WA and Curtin University of Technology in Australia and Zhejiang University and Yantat Electronics (Shendzhen) Ltd Co in China. Mr Chang resigned 10 August 2018.
Other current directorships	-
Former listed directorships in last 3 years	-

Company Secretary

Anna MacKintosh B.Com (UWA) CPA

Anna MacKintosh has over 26 years' commercial experience including 11 years with BHP, 10 years with AFSL holder Kirke Securities Ltd as Compliance Manager, Finance Manager and Responsible Executive. Since then Ms MacKintosh has been the Company Secretary/CFO for listed entity Kalia Limited (formerly GB Energy Ltd) (ASX: KLH), Financial Controller for Force Commodities (ASX: 4CE) and previously XTV Networks Ltd (ASX: XTV) and Applabs Technologies Ltd (ASX: ALA). She is also currently Company Secretary of TAO Commodities Ltd (ASX.TAO) and Marquee Resources Ltd (ASX.MQR)

DIRECTORS' REPORT cont.

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of options over ordinary shares
Mr Chris Zielinski	Nil	Nil
Mr Patrick Glovac	25,000,000	Nil
Mr Jason Brewer	20,000,000	Nil

There are no unpaid amounts on the shares issued.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activities of the Group during the financial year was operating in the gas exploration sector in Australia. The Company also holds a streaming financial agreement in respect of the funding of the Philippines based Iron Sands project since 2012.

There were no other significant changes in the nature of the Group's principal activities during the financial year.

Operating Results and Review of Operations for the Year

Operating Results

The loss of the Group for the financial year after providing for income tax amounted to:

	Year ended 30 June 2019 $	Year ended 30 June 2018 $
	(4,016,876)	(8,147,703)

Review of operations

Corporate

Mr Jason Brewer, Mr Patric Glovac and Mr Chris Zielinski were appointed as the new Board of Directors of Global Vanadium Ltd (previously 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 that was scheduled on 10 August 2018 pursuant to sections 249D and 203D of the Corporation Act 2001 was not held.

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

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 3kms 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.

DIRECTORS' REPORT cont.

As at 30 June 2019, total funds advanced under the Secured Loan Agreement (including accrued interest on the amounts advanced) was $4,301,168 (since 2012).

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 28th March the Company announced the execution of a Tenement Sale Agreement for the sale of its 100% owned Exploration Permit 127 ("EP127"), the Southern Georgina Project**.** The total consideration payable on successful completion of the transaction is AUD$500,000 cash plus the issue of the equivalent of AUD$1,000,000 of shares, at a deemed issue price equivalent to the IPO price on the London Stock Exchange**.** On the 12th June 2019 the Company held a shareholders meeting seeking shareholder approval pursuant to Listing Rule 11.2 of the sale. 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.

DIRECTORS' REPORT cont.

The Company submitted a formal submission to the Northern Territory Government Department of Primary Industry and Resources on the 21st June 2019.

Cervantes Corporation Loan

On 7th June 2019 the Company gave written notice to Cervantes Corporation Limited (ASX.CVS), in accordance with the terms of the loan agreement ("CVS Loan Agreement") between the Company and CVS, 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 CVS loan agreement (as amended by the Company's previous Board). The date for repayment of the CVS loan will be determined with the outcome of the Company's review of the legality of the CVS Loan Agreement and the subsequent Amendments made by the company's previous Board.

New Project Acquisitions

The Company is continuing to advance its current assets and is continuing to review new project opportunities to maximise shareholder value.

Significant changes in the state of affairs

The Company undertook a name and ASX code change during the year with the intention of pursuing an advanced hard rock vanadium asset acquisition. The Company had to suspend its negotiations with parties on the acquisition of an African based vanadium project because the ASX National Committee determined that the Company's main undertaking is in the oil and gas sector and the proposed transaction in the vanadium sector is outside the Company's main undertaking. In light of that determination and after reviewing a number of potential opportunities and strategic partners within the oil and gas sector, the Board has now unanimously agreed that the best course of action would be for the Company to avoid the risk, costs and time constraints of a potential full re-compliance (which would result from pursuing a hard rock asset acquisition) and focus its activities on acquiring advanced and highly attractive oil and gas projects that demonstrate strong technical fundamentals and benefit from strong joint venture partnerships.

Significant events after reporting date

On the 16th August 2019, the Company issued a notice to Consolidated Iron Sands Limited ("CIS") requesting immediate repayment of all outstanding monies under the Secure Loan Agreement with the Company's 100% subsidiary Goldfleet Enterprises Pty Ltd. Total amount to be repaid is $4,301,167. The loan relates to the Company's investment in the Philippines Iron Sands Vanadium- Magnetite Project, which was through loan advances to CIS or its Philippine's based subsidiary, Luzon Iron Development Group Corporation ("LIDGC"). These advances are made under the Secured Loan Agreement which was entered into in 2012 (and varied in 2014).

In light of the development that LIDGC's rights in respect of the Philippines Iron Sands Vanadium- Magnetite Project were not renewed by the Philippines Mines and Geosciences Bureau (as announced on 23 April 2019), the Board determined it was appropriate for the Company to require immediate repayment of all outstanding monies under the Secured Loan Agreement.

On the 19th August 2019 the Company completed a Placement of 300 million shares at $0.002 per share to raise $600,000 before costs which were issued to exempt offerees (under section 708 of the Corporations Act). Proceeds of the funds will be used to provide immediate funding for the Company's ongoing review of oil and gas opportunities and provide additional working capital.

On the 19th September 2019 the Company provided an update stating that it has continued its negotiations in respect to a potential transaction involving a strategic interest in several highly prospective oil block concessions located in an established and producing oil basin. The Company confirmed that subject to obtaining all necessary regulatory approvals, it will then move to expedite and finalise negotiations into a formal binding agreement.

In addition, the Company advised that is has recently commenced negotiations in respect to securing an interest in an established and producing oil field in Central Africa that is connected by pipeline to an established and exporting refinery. The Company has engaged a South African based consultant who will travel to be in-country to undertake legal and technical due diligence. Subject to a satisfactory outcome on due diligence, the Company will look to advance negotiations towards commercial terms.

The Company has advised that settlement of the sale of its 100% in Exploration Permit 127, The Southern Georgina Project, to Westmarket Oil & Gas Pty Ltd is proceeding and is still on track to settle in October 2019

Likely developments and expected results

The company continues to review a number of potential oil and gas projects.

Environmental regulation

In the course of its normal exploration activities, the Group adheres to environmental regulations imposed on it by the various regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna. The Group has complied with all material environmental requirements during the financial year. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Group.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

Remuneration report (Audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Global Vanadium Limited for the financial year ended 30 June 2019. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

Key Management Personnel

Directors

Mr Chris Zielinski	Non-Executive Chairman appointed 10 August 2018
Mr Patrick Glovac	Non-Executive Director appointed 10 August 2018
Mr Jason Brewer	Non-Executive Director appointed 10 August 2018
Mr Collin Vost	Executive Chairman resigned 10 August 2018
Mr Justin Vost	Non-Executive Director resigned 10 August 2018
Mr Ray Chang	Non-Executive Director resigned 10 August 2018

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The Board has the authority and responsibility for planning, directing and controlling the activities of the company and the Group, including directors of the company and of the senior management. Compensation levels for directors and senior management of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives.

Remuneration levels are not dependent upon any performance criteria as the Company and the Group are not generating a profit.

Remuneration committee

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

The remuneration of non-executive directors for the year ended 30 June 2019 is detailed in page 11 of this report.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices.

DIRECTORS' REPORT cont.

Remuneration report cont.

The Committee has access to external, independent advice where necessary. No consultants were engaged during the reporting year.

Employment Contracts

Chris Zielinski – Non Executive Chairman

The key terms of Mr Zielinski's contract are:

- Chairman Fees of $60,000 per annum plus statutory superannuation.
- No termination benefits

Patrick Glovac – Non-executive Director

The key employment terms of Mr. Glovac's contract are:

- Director fee of $60,000 per annum plus statutory superannuation.
- No termination benefits

Jason Brewer – Non-Executive Director

The key employment terms of Mr Brewer's contract are:

- Director's fee of $60,000 per annum plus statutory superannuation
- No termination benefits

Remuneration of Key Management Personnel

Key Management Personnel remuneration for the year ended 30 June 2019

		Short Term Benefit		Post Employment Benefit	Equity		
		Salary & fees	Other (iii)	Superannuation	Share based payments	Total	Remuneration consisting of SBP%
		$		$	$	$	%
Directors							
C Zielinski (i)	2019	48,839		4,640	-	53,479	-
	2018	-	-	-	-	-	-
P Glovac (i)	2019	48,839	-	4,640	-	53,479	-
	2018	-	-	-	-	-	-
J Brewer (i)	2019	53,839[iv]	-	5,115[iv]	-	58,954	-
	2018	-	-	-	-	-	-
C Vost (ii)	2019	2,000	83,500		-	85,500	-
	2018	24,000	221,086	-	-	245,086	-
J Vost (ii)	2019	2,000	33,200		-	35,200	-
	2018	24,000	101,000	-	-	125,000	-
R Chang (ii)	2019	4,000	-		-	4,000	-
	2018	12,000	-	-	-	12,000	-
Total	2019	159,517	116,700	14,395	-	290,612	-
	2018	60,000	322,086	-	-	382,086	-

(i) Appointed 10 August 2018

(ii) Resigned 10 August 2018

(iii) Payments to New York Securities Pty Ltd (of which Collin Vost is a Director) during 2019 financial year includes consultant fees $62,500 (2018: $144,086), Services Office and bookkeeping fees $21,000 (2018: $77,000). Payment to Bluesky Trust (of which Justin Vost is a Director) during the 2019 financial year included $33,200 consultant fees (2018: $101,000). The amounts paid to previous Board members included termination payments in accordance with their consultancy agreements.

(iv) Mr Brewers fees include a prepayment of July 2019 fees of $5,000 in fees plus $475 in superannuation.

No member of key management personnel appointed during the year received a payment as part of his or her consideration for agreeing to hold the position.

DIRECTORS' REPORT cont.

Remuneration report cont.

Bonuses

No bonuses were granted during the year.

Shareholdings of Key Management Personnel

30 June 2019	Balance at beginning of year Number	Granted as remuneration Number	On Exercise of Options Number	Net Change Other Number	Balance at time of resignation	Balance at end of year Number
Directors						
Mr Chris Zielinski (i)	-	-	-	-	-	-
Mr Patrick Glovac (i)	22,500,000	-	-	2,500,000	-	25,000,000
Mr Jason Brewer (i)	-	-	-	20,000,000	-	20,000,000
Mr Collin Vost	47,000,000	-	-	-	47,000,000[(ii)]	-
Mr Justin Vost	13,500,000	-	-	-	13,500,000[(ii)]	-
Mr Ray Chang	-	-	-	-	-	-

(i) At the time of appointment 10 August 2018
(ii) At time of resignation 10 August 2018

All equity transactions with key management have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Statutory key performance indicators of the group over the last five years

	2019	2018	2017	2016	2015
Profit/(Loss) for the year attributable to owners of Global Vanadium Ltd ($'000)	(4,017)	(8,148)	(326)	733	555
Basic profit/ (loss) per share cents	(0.144)	(0.344)	(0.015)	0.033	0.02
Dividend payments	0	0	0	0	0
Dividend payout ration	n/a	n/a	n/a	n/a	n/a
Increase/(decrease) in share price (%)	(400%)	400%	0	0	0
Total KMP incentives as percentage of profit (loss) for the year (%)	0	0	0	0	0

Other transactions with Key Management Personnel

Further payments to GTT Ventures Pty Ltd (a company of which Patrick Glovac is a Director and shareholder) included the payment of office lease $21,000
Payments to Nova Legal (a company of which Chris Zielinski is a Director) included legal fees of $31,616

Loans to Key Management Personnel

There are no loans to key management personnel.

End of Audited Remuneration Report

DIRECTORS' REPORT cont.

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors meetings	
Number of meetings held:	5	
Number of meetings attended:		
Mr Chris Zielinski	4	Appointed 10 August 2018
Mr Patrick Glovac	4	Appointed 10 August 2018
Mr Jason Brewer	4	Appointed 10 August 2018
Mr Collin Vost	1	Resigned 10 August 2018
Mr Justin Vost	1	Resigned 10 August 2018
Mr Ray Chang	1	Resigned 10 August 2018

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor's Independence and Non-Audit Services

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 audit of the financial report. This Independence Declaration is set out on page 14 and forms part of this directors' report for the year ended 30 June 2019.

Non-Audit Services

No non-audit services were provided during the year by the auditor other than what has been disclosed in Note 18. The Company may deploy the auditors for non-audit services in the future.

Signed in accordance with a resolution of the directors.

Dated: 20 September 2019

Chris Zielinski
Non Executive Chairman

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

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

As lead auditor of Global Vanadium Limited for the year ended 30 June 2019, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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, 20 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $	2018 $
Continuing operations			
Income			
Interest income	2	439,068	511,553
Other income	2	55,000	-
Fair value adjustment other financial assets		-	88,742
		494,068	600,295
Expenses			
Provision for non-recovery of CIS loan	7	587,529	3,713,638
Loss of sale of investments		3,588	1,014,172
Employee benefits expense		175,730	60,000
Fair value adjustment to financial assets (CVS Loan)	7	917,135	-
Finance costs		-	612
Technical consultants and contracts		103,724	237,500
Occupancy expenses		36,542	53,250
Travel expenses		20,564	25
Administration expenses	2	348,587	174,125
Share based payment	12	14,000	-
Other		519	1,446
Loss before income tax expense		1,713,850	4,654,473
Income tax benefit	3	-	-
Loss after income tax for the year from continuing operations		1,713,850	4,654,473
Loss from discontinued operations	8	2,303,026	3,493,230
Loss for the Year		4,016,876	8,147,703
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
		-	-
		-	-
Total comprehensive loss for the year attributable to owners of the Company		4,016,876	8,147,703
Basic loss per share for the year attributable to the members of Global Vanadium Ltd (cents per share)	5	0.144 cents	0.344 cents
Loss per share for the year attributable to the members of Global Vanadium Ltd (cents per share) for continuing operations		0.061 cents	0.148 cents

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	6	280,752	576,448
Prepayments	7	13,288	-
Financial assets	7	-	84,458
Asset held for sale	8	1,240,000	-
Total current assets		1,534,040	660,906
Non-current assets			
Financial Assets	7	340,265	1,257,400
Deferred exploration and evaluation expenditure	8	-	3,493,230
Total non-current assets		340,265	4,750,630
Total assets		1,874,305	5,411,536
Liabilities			
Current liabilities			
Trade and other payables	9	41,884	356,320
Total current liabilities		41,884	356,320
Total liabilities		41,884	356,320
Net assets		1,832,421	5,055,216
Equity			
Issued capital	10	55,773,618	54,979,537
Accumulated losses	11	(53,941,197)	(49,924,321)
Total equity		1,832,421	5,055,216

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Consolidated	Notes	Issued capital $	Accumulated Losses $	Total equity $
Balance at 1 July 2017		54,251,948	(41,776,618)	12,475,330
Loss for the year			(8,147,703)	(8,147,703)
Total comprehensive loss for the period		-	(8,147,703)	(8,147,703)
Transactions with owners in their capacity as owner				
Share Issues		819,810	-	819,810
Share Issue Costs		(92,221)	-	(92,221)
Balance as at 30 June 2018		54,979,537	(49,924,321)	5,055,216
Balance at 1 July 2018		54,979,537	(49,924,321)	5,055,216
Loss for the year		-	(4,016,876)	(4,016,876)
Total comprehensive loss for the year		-	(4,016,876)	(4,016,876)
Transactions with owners in their capacity as owner				
Share Issue		799,000	-	799,000
Share Issue Costs		(4,919)	-	(4,919)
Balance at 30 June 2019		55,773,618	(53,941,197)	1,832,421

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $	2018 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,018,520)	(336,470)
Interest Received		2,726	760
Finance Costs		-	(612)
Miscellaneous Income		55,000	-
Net cash outflows from operating activities	6	(960,794)	(336,322)
Cash flows from investing activities			
Proceeds from held for trading investments		86,000	606,008
Purchase of held for trading investments		-	(3,895)
Loans repaid by other entities		-	60,000
Loans to other entities		(151,187)	(586,958)
Exploration and evaluation expenditure		(49,796)	(57,581)
Net cash (outflows)/ inflows from investing activities		(114,983)	17,574
Cash flows from financing activities			
Proceeds from issue of shares		785,000	819,810
Payments for share issue costs		(4,919)	(92,221)
Net cash inflows from financing activities		780,081	727,589
Net increase/(decrease) in cash and cash equivalents		(295,696)	408,841
Cash and cash equivalents at the beginning of the year		576,448	167,607
Cash and cash equivalents at the end of the year	6	280,752	576,448

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This General Purpose Financial Report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (including Australian Interpretations) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Going Concern
For the period ended 30 June 2019 the Group made a loss of $4,016,876 and had cash outflows from operating activities of $960,794. In the short term, the ability of the Group to continue as a going concern is dependent on the successful completion of the sale of EP127. These conditions indicate a material uncertainty that may cast a significant doubt about the Group'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 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, after the successful $600,000 capital raising on 19 August 2019.

- The Directors expect the successful sale of EP127 in the 2019 calendar year realising the cash consideration of $500,000.

- Dependent upon the Group (which is currently in negotiations on a potential transaction involving a strategic interest in highly prospective oil block concessions), securing a new project so that it will be able to raise funds and continue as a business.

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.

Historical Cost Convention
The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(e).

Functional and presentation currency
The functional currency of the Group is measured using the currency of the primary economic environment in which the entity operates, however the financial statements are presented in Australian dollars, which is the economic environment that the parent operates.

(b) Adoption of new and revised 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont.

(b) Adoption of new and revised standards (continued)

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.

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 $559,735 was recognised for the long term receivables. Refer Note 7(a)

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.

Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2019.

AASB 16 Leases

If a lessee has significant operating leases outstanding at the date of initial application, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments.

This will increase EBITDA as operating leases that were previously expensed will be amortised as a right-of-use asset, and an interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under the existing standard. This trend will reverse in the later years.

There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.

The Company has considered this standard and identified there will be minimal impact on the financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont.

(c) Statement of compliance

The financial report was authorised for issue by the directors on 20 September 2019. The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

(d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Global Vanadium Limited ('Company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the period then ended. Global Vandium Limited and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(e) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes model. For equity instruments with market based vesting conditions, a Barrier 1 Valuation model is used.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of exploration expenditure
The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. When assessing impairment of exploration and evaluation assets, the carrying amount of exploration and evaluation is compared to its recoverable amount. The estimated recoverable amount is used to determine the extent of the impairment loss (if any).

Asset held for Sale
Non-current assets held for sale and disposal groups Are classified as held for sale when:
- They are available for immediate sale;
- Management is committed to a plan to sell;
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- An active programme to locate a Buyer has been initiated;
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of;
-Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
-Fair value less costs of disposal.

Following their classification as held for sale, non-current assets are not depreciated. The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the profit or loss of the discontinued operation along with the gain or loss of the re-measurement to fair value less costs.

Provision for impairment of receivable

The loss allowance for financial assets are based on assumptions about risk of default and expected credit loss rate. The Group uses judgement in making these assumptions and selecting the input to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(f) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Global Vanadium Limited.

(g) Revenue recognition
Revenue is measured at fair value of the consideration received or receivable.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Goods and Services taxes
Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Impairment of tangible and intangible assets other than goodwill
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Cash and cash equivalents
Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(l) Trade and other receivables
Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. Other receivables are recognised at amortised cost less an allowance for expected credit loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the Statement of Profit or Loss and other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(m) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Trade and other payables
Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(p) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(q) Share-based payment transactions
Equity settled transactions
The Group in a previous financial year provided benefits to employees of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). During the current year, share based payment in the form of Performance Rights were granted to Directors and the Company Secretary. Refer to Note 12 for further information.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Global Vanadium Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Profit or Loss and Other Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share. Refer Note 5.

(r) Issued capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(s) Loss per share
Basic loss per share is calculated as net loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted loss per share is calculated as net loss attributable to members of the parent, adjusted for:
- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(t) Exploration and evaluation expenditure
Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:

  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(u) Parent entity financial information
The financial information for the parent entity, Global Vanadium Limited, disclosed in Note 16 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries
Investments in subsidiaries are accounted for at cost in the parent entity's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

NOTE 2: OTHER INCOME AND EXPENSES

	2019 $	2018 $
Other Income		
Interest income - Consolidated Iron Sands Loan	436,343	510,793
Bank Interest Income	2,725	760
Other – Westmarket option fee and deposit	55,000	-
	494,068	**511,553**

	2018 $	2018 $
Administrative Expenses		
Legal Fees	82,788	35,509
Share Registry Fees	92,369	11,895
Company Secretarial/Accounting/Bookkeeping fees	81,219	51,580
Audit Fees	27,852	28,300
Other	64,359	46,841
Total administrative expenses	348,587	174,125

		2018 $	2018 $
Other expenses			
Share based payment	12	14,000	-
Occupancy fees		36,542	53,250
Technical consultants		103,724	237,500
CVS Loan write-down	7	917,135	-
Provision for non-recovery of CIS Loan	7	587,529	3,713,638

NOTE 3: INCOME TAX

Income tax recognised in profit or loss
The major components of tax expense are:

	2019	2018
	$	$
Current tax expense/(income)	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	-	-
	-	-

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

	2019	2018
	$	$
Accounting loss before tax from continuing operations	(4,016,876)	(8,147,703)
Gain before tax from discontinued operations	-	-
Accounting loss before income tax	(4,016,876)	(8,147,703)
Income tax benefit calculated at 30% (2018: 27.5%)	(1,205,063)	(2,240,618)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenditure/(Non-assessable income)		
Shares based payments	4,200	-
Non-assessable Income	(136,903)	(140,468)
Other non-deductible expenditure	452,476	1,275,744
Timing Movements not recognised	671,389	941,476
Losses not recognised	213,900	163,867
Income tax benefit reported in the consolidated statement of comprehensive income	0	0
Income tax attributable to discontinued operations	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2018: 27.5%) payable by Australian corporate entities on taxable profits under Australian tax law.

NOTE 4: SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The consolidated entity operates in a single business segment being oil and gas exploration in Australia.

The company is domiciled in Australia. All revenue from external parties in generated from Australia only. All the assets are located in Australia, investing in opportunistic/distressed situations where both short and long term rewards may be produced for shareholders.

NOTE 5: LOSS PER SHARE

	2019	2018
Basic loss per share	Cents per share	Cents per share
Loss after income tax	(0.144)	(0.344)
Loss from continuing operations	(0.061)	(0.197)

Basic loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	2019	2018
	$	$
Loss	(4,016,876)	(8,147,703)
Loss from continuing operations	(1,713,850)	(4,654,473)

	2019	2018
	Number	Number
Weighted average number of ordinary shares for Basic earnings per share	2,795,267,125	2,367,979,790

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank and on hand	280,752	576,448
Held for trading financial assets	-	84,458

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Reconciliation of loss for the year to net cash flows from operating activities

	2019 $	2018 $
Loss for the year	(4,016,876)	(8,147,703)
Impairment of exploration expenditure	2,303,026	3,493,230
Provision for non-recovery of loans	587,529	3,713,638
Profit/loss on disposal of shares	3,588	1,014,172
Fair value adjustment	559,735	(88,742)
Loan amendment (waive of Rights and fees)	357,400	
Share based payment	14,000	-
Interest accrued	(436,343)	(510,794)
(Increase)/decrease in assets:		
Trade and other receivables		-
Prepayment and rental bonds	(13,288)	5,058
Increase/(decrease) in liabilities:		
Trade and other payables	(319,565)	184,819
Net cash outflow from operating activities	960,794	336,322

NOTE 7: PREPAYMENTS AND OTHER FINANCIAL ASSETS

		2019 $	2018 $
Current			
Prepayments – D&O Insurance		13,288	-
Held for trading financial assets		-	84,458
		13,288	84,458
Non-Current			
Financial Asset at amortised cost			
Loan to unrelated entity – unsecured (Cervantes Corporation Ltd)	a	1,257,400	1,257,400
Loan amendment (waive of Rights and Fees)	a	(357,400)	-
Provision for loss allowance	a	(559,735)	-
Net loan amount		340,265	1,257,400
Loans to unrelated entities – secured (CIS)	b	4,301,168	3,713,639
Provision for non-recovery of loan	b	(4,301,168)	(3,713,639)
Net loan amount		-	-
Grand total		340,265	1,257,400

NOTE 7: PREPAYMENTS AND OTHER FINANCIAL ASSETS cont.

Note a

During the financial year ended 30 June 2019, 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 fair value adjustment 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 loss allowance amount of $559,735 representing a total fair value adjustment amount for the year ended 30 June 2019 of $917,135. The loan value as at 30 June 2019 is $340,265.

Note b

The loan amount of $4,301,168 (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.
In April 2019 the company was advised that the renewal of the exploration permits was denied by Philippines Mines and Geosciences Bureau (MGB). The Company will now undertake a review of its options in respect to the MGB's Decision. The provision amount has accordingly increased by $587,529 (being to the full amount of the loan) 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.

NOTE 8: ASSET CLASSIFIED AS HELD FOR CURRENT SALE

On the 12th June 2019 Global Vanadium Limited ("**Global**" or "the **Company**") obtained shareholders approval pursuant to Listing Rule 11.2 in relation to the sale of its 100% owned Exploration Permit 127, the Southern Georgina Project. Consideration for the sale is $500,000 cash plus stock consideration of AUD $1,000,000 of shares to be held on the London Stock Exchange in the IPO for the New Company. This asset is now classified as an Asset held for Sale with the fair value as per the consideration amount as per the sale agreement.

	2019 $	2018 $
Assets		
Exploration Asset – EP127	7,036,256	-
Provision for impairment	(5,536,256)	-
15% Finders Fee payable (i)	(225,000)	
Cash deposit received March 2019	(35,000)	
Asset held for sale	1,240,000	-

(i) This Finders Fee is payable to the intermediaries and is payable on successful completion of the sale. 10% is payable to Westmarket Capital PLC and 5% to GTT Ventures Pty Ltd. This amounts to $75,000 in cash and $150,000 in stock.

	2019 $	2018 $
Result of discontinued operations		
Impairment expenses	(2,303,026)	(3,493,230)
Loss on discontinued operation	(2,303,026)	(3,493,230)

	2019 $	2018 $
Loss per share from discontinued operation		
Basic (cents per share)	(0.082)	(0.148)

The statement of cash flows includes the following amounts relating to discontinued operations:

	2019	2018
	$	$
Statement of cash flows		
Investing Activities	(49,796)	(57,581)
Net cash used by discontinued operations	(49,796)	(57,581)

Accounting Policy
Non-current assets held for sale and disposal groups Are classified as held for sale when:
- They are available for immediate sale;
- Management is committed to a plan to sell;
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- An active programme to locate a Buyer has been initiated;
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of;
-Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
-Fair value less costs of disposal.

Following their classification as held for sale, non-current assets are not depreciated. The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the profit or loss of the discontinued operation along with the gain or loss of the re-measurement to fair value less costs.

NOTE 9: TRADE AND OTHER PAYABLES (CURRENT)

	2019	2018
	$	$
Trade payables	14,483	339,245
Accruals	19,500	14,000
Sundry Creditors	7,901	3,075
	41,884	356,320

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

Information regarding the interest rate, foreign exchange and liquidity risk exposure is set out in Note 13.

NOTE 10: ISSUED CAPITAL

	Number	2019	Number	2018
		$		$
Ordinary shares issued and fully paid	2,829,479,904	55,773,618	2,695,146,598	54,979,537

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Movement in ordinary shares on issue

	2019		2018	
	Number	$	Number	$
Balance at beginning of year	2,695,146,598	54,979,537	2,225,337,344	54,251,948
Share based payment for services 27 Feb 2019 (refer Note 12)	3,500,000	14,000		
Share Purchase Plan 28 September 2018	130,833,306	785,000	-	-
Issue 12 September 2017	-	-	119,809,254	119,810
Placement 4 May 2018	-	-	300,000,000	600,000
Placement 28 June 2018	-	-	50,000,000	100,000
Capital Raising Costs	-	(4,919)	-	(92,221)
Balance at end of year	2,829,479,904	55,773,618	2,695,146,598	54,979,537

NOTE 11: ACCUMULATED LOSSES

	Consolidated Entity	
	2019	**2018**
	$	**$**
Accumulated losses at the beginning of the year	(49,924,321)	(41,776,618)
Net loss for the year	(4,016.876)	(8,147,703)
Accumulated Losses at the end of the year	(53,941,197)	(49,924,321)

NOTE 12: SHARE BASED PAYMENT

One share based payment was made during the financial year. The payment was made to unrelated party in relation to services provided to the Company. A total 3,500,000 fully paid ordinary shares were issued on the 27th February 2019 for nil cash. These were valued at $0.004 per share (closing share price on that day) which amounts to $14,000 .

NOTE 13: FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents (no debt) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, and general administrative outgoings.

Categories of financial instruments

	2019 $	2018 $
Financial assets		
Cash and cash equivalents	280,752	576,448
Prepayments	13,288	-
Loan to unrelated entity – Cervantes Loan	340,265	1,247,400
Held for trading financial assets	-	84,458
Total	634,405	1,918,306
Financial liabilities		
Trade and other payables	41,884	356,320

Financial risk management objectives
The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Market risk
The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Credit Risk

The Group is exposed to credit risk on its loans to unrelated entities, as disclosed in Note 1 and Note 7

Liquidity Risk

Management monitors rolling forecasts of the Group's cash reserves on the basis of expected cash flows. The Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to pay debts as and when they become due and payable.

Fair value of Loans to Unrelated Entities at amortised Cost

The fair value of loans are classified as level 3 fair value in the fair value hierarchy due to inclusion of unobservable inputs in deciding counterparty credit risk, as disclosed in Note 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.
FOR THE PERIOD ENDED 30 JUNE 2019

NOTE 14: COMMITMENTS AND CONTINGENCIES

a) *Explorations commitments*

Under the requirements of the Northern Territory Department of Mines and Petroleum, the Company has an annual minimum expenditure of $500,000 on the granted tenements.

Tenement	Date Acquired	Annual Expenditure Commitment 2019	Annual Expenditure Commitment 2018
		$	
EP127	14 September 2015	500,000	500,000
Total		500,000	500,000

In order to retain the rights of tenure to its granted tenements, the Company is required to meet the minimum statutory expenditure requirement but may reduce these at any time by reducing the size of the tenements. The figure below assumes that no new tenements are granted and the only compulsory statutory area reductions are made.

	$
Not later than 1 year	500,000
Later than 1 year but not later than 5 years	9,350,000
Total	9,850,000

The Group made an application for the suspension of these commitments which was granted and extended to December 2019. Please note exploration permit EP127 is currently held for sale. (Refer Note 8)

b) *Office lease commitments*

Global Vanadium Limited has a month by month lease arrangement with GTT Ventures Pty Ltd at $2,000 per month including outgoings.

NOTE 15: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Global Vandium Limited and the subsidiaries listed in the following table. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Country of incorporation	2019 %	2018 %
Parent Entity			
Global Vanadium Limited	Australia		
Subsidiaries			
Baraka Minerals Pty Ltd	Australia	100	100
Goldfleet Enterprises Pty Ltd	Australia	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.
FOR THE PERIOD ENDED 30 JUNE 2019

Key Management Personnel Remuneration

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report. Total remuneration paid to key management personnel is as follows:

	2019 $	2018 $
Remuneration type		
Short- term employee benefits	159,517	60,000
Other	116,700	345,166
Post employment benefit	14,395	-
Total	290,612	405,166

Refer also to the Remuneration report

Payments were made to GTT Ventures Pty Ltd (a company of which Patrick Glovac is a Director and shareholder) and included the following:
Office Lease $21,000
Payments were made to Nova Legal (a company of which Chris Zielinski is a Director) included the following:
Legal fees $31,616

Loans to Key Management Personnel
There were no loans to Key Management Personnel.

Other transactions and balances with Key Management Personnel
Nil

NOTE 16: PARENT ENTITY DISCLOSURES

Financial position

	2019 $	2018 $
Assets		
Current assets	1,534,040	1,918,306
Non-current assets	340,265	3,493,230
Total assets	1,874,305	5,411,536
Liabilities		
Current liabilities	41,884	356,320
Non-current liabilities	-	-
Total liabilities	41,884	356,320
Equity		
Issued capital	55,773,618	54,979,537
Accumulated losses	(53,941,197)	(49,924,321)
Total equity	1,832,421	5,055,216

Financial performance

	2019 $	2018 $
Loss for the period	(4,016,876)	(8,147,703)
Other comprehensive loss	-	-
Total comprehensive loss	(4,016,876)	(8,147,703)

Global Vanadium Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

On the 16th August 2019, the Company issued a notice to Consolidated Iron Sands Limited ("CIS") requesting immediate repayment of all outstanding monies under the Secure Loan Agreement with the Company's 100% subsidiary Goldfleet Enterprises Pty Ltd. Total amount to be repaid is $4,301,167. The loan relates to the Company's investment in the Philippines Iron Sands Vanadium- Magnetite Project, which was through loan advances to CIS or its Philippine's based subsidiary, Luzon Iron Development Group Corporation ("LIDGC"). These advances are made under the Secured Loan Agreement which was entered into in 2012 (and varied in 2014).

In light of the development that LIDGC's rights in respect of the Philippines Iron Sands Vanadium- Magnetite Project were not renewed by the Philippines Mines and Geosciences Bureau (as announced on 23 April 2019), the Board determined it was appropriate for the Company to require immediate repayment of all outstanding monies under the Secured Loan Agreement.

On the 19th August 2019 the Company completed a Placement of 300 million shares at $0.002 per share to raise $600,000 before costs which were issued to exempt offerees (under section 708 of the Corporations Act). Proceeds of the funds will be used to provide immediate funding for the Company's ongoing review of oil and gas opportunities and provide additional working capital.

On the 19th September 2019 the Company provided an update stating that it has continued its negotiations in respect to a potential transaction involving a strategic interest in several highly prospective oil block concessions located in an established and producing oil basin. The Company confirmed that subject to obtaining all necessary regulatory approvals, it will then move to expedite and finalise negotiations into a formal binding agreement.

In addition, the Company advised that is has recently commenced negotiations in respect to securing an interest in an established and producing oil field in Central Africa that is connected by pipeline to an established and exporting refinery. The Company has engaged a South African based consultant who will travel to be in-country to undertake legal and technical due diligence. Subject to a satisfactory outcome on due diligence, the Company will look to advance negotiations towards commercial terms.

The Company has advised that settlement of the sale of its 100% in Exploration Permit 127, The Southern Georgina Project, to Westmarket Oil & Gas Pty Ltd is proceeding and is still on track to settle in October 2019

NOTE 18: AUDITOR'S REMUNERATION

The auditor of Global Vanadium Limited is BDO Audit (WA) Pty Ltd (Previous period auditor was Rothsay). The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2019	2018
	$	$
Auditor of the parent entity		
Audit or review of the financial statements	30,852	28,300
	30,852	28,300
Taxation and other advisory services		
Taxation	850	-
Advisory Services	-	-

DIRECTORS' DECLARATION

1. In the opinion of the directors of Global Vanadium Limited (the 'Company'):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the period then ended; and

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   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.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 June 2019.

This declaration is signed in accordance with a resolution of the Board of Directors.

Chris Zielinski
Non-executive Chairman

Dated 20 September 2019

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Global Vanadium Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Global Vanadium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(a) 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Asset held for sale

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 8 to the financial report, the exploration and evaluation asset has been presented as an asset held for sale and a discontinued operation as at 30 June 2019, due to the decision to sell the asset. After considering the executed sale agreement between the Group and the buyer Westmarket Oil & Gas Pty Ltd, the Group has impaired the carrying value of the asset. Given the quantum of the impairment and the judgement exercised by the Group in determining the recoverable amount of the asset and calculating the impairment charge, we consider this area to be a key audit matter.	Our audit procedures included, but were not limited to the following: • Considering the application of Australian Accounting Standards to the classification of the exploration and evaluation asset as an asset held for sale and discontinued operation; • Assessing management's determination of fair value less costs to sell via review of the executed sale agreement and calculation of expected costs to sell; • Assessing the adequacy of the related disclosures in Note 1(e) and Note 8 to the financial report.

Financial asset at amortised cost

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 7 following the adoption of AASB 9: Financial Instruments ('AASB 9'), included in the Group's consolidated statement of financial position as at 30 June 2019 are loans receivable. The recoverability of the loans receivable involves significant judgement in respect of assumptions such as discount rates as well as probability of default. We considered this to be a key audit matter due to the judgement involved in the selection of assumptions, as well as the impact of the adoption of AASB 9.	Our audit procedures included the following: • Assessing in respect of the expected credit losses for calculating impairment, in particular, the probability of default; • Evaluating the discounted cash flow calculation prepared by management to assess the recoverable amount of the loans receivable and its expected repayment date, including critically assessing the discount rate; • Corroborating market related assumptions in respect of discount rate by reference to external data; • Assessing the adequacy of the related disclosures in Note 1(e) and Note 7 to the financial report

Other information

The financial report of Global Vanadium Limited, which was formerly known as Baraka Energy & Resources Ltd, for the year ended 30 June 2018 was audited by another auditor, who expressed an unmodified opinion on that report on 28 September 2018.

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 12 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Global Vanadium Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 20 September 2019

CORPORATE GOVERNANCE STATEMENT

The Company’s Corporate Governance disclosure is available on the Company’s website at:
www.globalvanadium.com.au

ADDITIONAL SECURITIES EXCHANGE INFORMATION

ASX additional information as at 16 September 2019

Number of holders of equity securities 4,047

Ordinary share capital

3,129,474,904 fully paid ordinary shares are held by individual shareholders.

All issued ordinary shares carry one vote per share.

Distribution of holders of equity securities

	Number of holders	Fully paid ordinary shares
1 – 1,000	122	20,393
1,001 – 5,000	193	709,395
5,001 – 10,000	337	3,012,700
10,001 – 100,000	1,583	75,851,024
100,001 and over	1,812	3,049,886,392
	4,047	3,129,479,904

Holding less than a marketable parcel	2,786

Substantial shareholders

Nil

	Fully paid ordinary shares	
	% held	Number
Ordinary shareholders		
Nil		

ADDITIONAL SECURITIES EXCHANGE INFORMATION cont.

Twenty largest holders of quoted equity securities

	Fully paid ordinary shares	
Ordinary shareholders	**Number**	**Percentage**
Citicorp Nominees Pty Ltd	83,296,512	2.662
Hix Corp Pty Ltd	53,100,000	1.697
Sawaqed Investments Pty Ltd	50,999,994	1.63
BS Habib Pty Ltd	50,000,000	1.598
HH SMSF Pty Ltd	50,000,000	1.598
BNP Paribas Nominees Group	44,801,860	1.432
Mr Michael Robert Hodgetts	35,000,000	1.118
Tribeca Nominees Pty Ltd	35,000,000	1.118
Mr Colin Robert Searl & Mrs Cynda Searl	35,000,000	1.118
Mr Aaron James Rainbow	34,500,000	1.102
Mr Dominic Furfaro & Mrs Josephine Furfaro	30,000,000	0.959
HSBC Custody Nominees Group	29,053,392	0.928
Mr George Haydarieh	29,000,006	0.927
JP Morgan Nominees Australia	27,988,273	0.894
Ddpevcic (WA) Pty Ltd	27,500,000	0.879
Murdoch Capital Pty Ltd	25,000,000	0.799
Broken Ridge Pty Ltd	23,500,000	0.751
Mr Samuel McQuarrie Bennett	22,002,016	0.703
Nour Ventures Pty Ltd	22,000,000	0.703
Mr Jacob Heath Mowat	22,000,000	0.703
	729,742,053	**23.318**

Company Secretary

Mrs Anna MacKintosh

On-market buy-back

Currently there is no on-market buy-back of the Company's securities

Registered and principal office

22 Townshend Road
Subiaco WA 6008

Share registry

Advanced Share Registry

SCHEDULE OF TENEMENTS

As at 30 June 2019

Project / Tenement		Nature of Interest
Northern Territory		
Southern Georgina Basin	EP 127	100%