

# GLOBAL GEOSCIENCE

**Annual Report 2018**

---

## Corporate Directory

### Directors

James D. Calaway	<i>Chairman</i>
Bernard Rowe	<i>Managing Director</i>
Alan Davies	<i>Non-Executive Director</i>
Patrick Elliott	<i>Non-Executive Director</i>
John Hofmeister	<i>Non-Executive Director</i>

### Company Secretary

Joanna Morbey

### Registered and Offices:

#### Sydney:

Suite 203, 161 Walker Street

North Sydney NSW 2060

Telephone: +61 (2) 9922-5800

Facsimile: +61 (2) 9922-4004

Website: [www.globalgeo.com.au](http://www.globalgeo.com.au)

e-mail: [explore@globalgeo.com.au](mailto:explore@globalgeo.com.au)

#### Reno:

290 Gentry Way #1

Reno Nevada 89502

United States of America

### Share Registrar

Boardroom Pty Limited

Grosvenor Place

Level 12, 225 George Street

SYDNEY NSW 2000

Telephone: 1300 737 760

### Listed on the Australian Securities Exchange

19<sup>th</sup> December 2007

ASX Code: GSC

ABN: 76 098 564 606

### Auditors

Ernst & Young

200 George Street

Sydney NSW 2000

## CHAIRMAN'S LETTER

Our efforts this year have positioned your company to become the first major American supplier of lithium and the next major global supplier of boric acid. As one of two known lithium-boron deposits, Rhyolite Ridge is uniquely placed to be a major, competitive producer of both metals. We are committed to responsibly and profitably producing these materials for a sustainable planet.

More specifically, our focus has centered on:

- developing our human resources and processes to execute a demanding work plan;
- ensuring we have the capital to undertake the myriad elements required to deliver our first project, and to sustain the company's work through any unforeseen short-term market disturbances; and
- delivering a detailed and compelling Preliminary Feasibility Study ("PFS").

I am pleased that the company is now well positioned in each of these strategic areas.

We are close to releasing the outcomes from the PFS and remain confident Rhyolite Ridge will have the key factors to secure attractive development funding:

- reasonable capital intensity relative to other low operating cost projects;
- very low-cost production;
- two competitive commercial products with proximity to major customers; and
- 100% ownership, without royalties, in the United States.

Based on our work to date, it is increasingly clear that Rhyolite Ridge will be able to produce at least 20,000 tonnes of lithium carbonate and 160,000 tonnes of boric acid for the next 30 years. We also believe additional drilling is likely to demonstrate that Rhyolite Ridge can support even larger production rates and / or longer mine life in the years to come.

With A\$80 million cash on hand at 30 June 2018, the Company is well funded to rapidly progress our project towards production. To meet our rapid development objectives, we have much to do in the coming year such as:

- completing the Definitive Feasibility Study;
- operating a pilot plant to perfect our processes and provide potential customers with sufficient quantities of lithium carbonate and boric acid for pre-qualification;
- drilling to infill and extend our current resource;
- building our development and operational leadership commensurate with our needs; and
- entering into discussions concerning various business arrangements to provide the capital needed to build the project.

Our able and highly experienced commercial team will continue to work with the many potential customers for our lithium and boron products to ensure favourable terms when we ramp production in the next few years.

I am proud to say that our team and Board of Directors have worked with a leading branding company to firmly establish and codify our purpose, mission and values. First, we took the time to step back from the day-to-day work to answer important questions. What is our strategic purpose as a company? What is our mission? What are our core values that are not platitudes? And while such work is remarkably important if one wishes to build a large and enduring company, it is always hard to find the time in the early stages of a business. This work has helped us to create an exciting new name for Global Geoscience that better reflects its purpose. Subject to shareholders approval at our upcoming Annual General Meeting, Global Geoscience will become **ioneer**:



Our new name is a new word that combines ion and pioneer. It also projects our mission to responsibly and profitably become a leading producer of the materials necessary for the global transition to a sustainable future.

I look forward to continuing to work with the very able members of the Board of Directors and senior executives to further build the team and its capacity to execute our strategic plan to make Rhyolite Ridge a cornerstone project of your company.

A handwritten signature in blue ink, appearing to read 'James D. Calaway', is written over a horizontal line. To the right of the signature is a large, stylized blue ink flourish or scribble.

James D. Calaway

**Chairman of the Board of Directors**

28 September 2018

## REVIEW OF OPERATIONS

Global Geoscience Ltd (the “Company”) is positioned to become the first major American supplier of lithium and next major global supplier of boric acid.

The advanced Rhyolite Ridge Lithium-Boron Project (“Project”) will produce materials that are integral to a cleaner and more sustainable future for our planet.

The Project has potential annual sales of 160,000-220,000 tonnes of boric acid and 20,000-30,000 tonnes of lithium carbonate in the initial phase and is readily expandable.

Rhyolite Ridge is one of only two known large lithium-boron deposits globally. In addition, it is the only lithium deposit in the world that has been demonstrated to be amenable to simple heap or vat leach processing, reinforcing it as a credible alternative to spodumene and brine deposits as a major, low-cost and long-term source of lithium.

Excellent progress has been made over the past year towards developing the Project. We have assembled a diverse team which brings expertise from the mining, finance and energy industries.

Rapid technological developments in improving how energy is utilised provide an exciting opportunity for us to become a leader in contributing positively to a more energy-efficient future.

### Rhyolite Ridge Lithium-Boron Project, USA (GSC 100%)

The Project is a large, shallow lithium-boron deposit located close to existing infrastructure in southern Nevada, USA.

The Rhyolite Ridge Mineral Resource contains a total of 4.1 million tonnes of lithium carbonate and 11.9 million tonnes of boric acid and is the largest lithium-boron Mineral Resource in North America.

This Mineral Resource is for only a small portion of the two large prospective basins at Rhyolite Ridge.

Further drilling commenced in July 2018 and is likely to increase the current resource estimate.

Rhyolite Ridge has strong project fundamentals due to the following key advantages:

- Large deposit = Long mine life, expandable;
- Shallow, thick & flat lying = Open pit mining, low strip ratio;
- Soft ore and waste rock = Low-cost mining and milling;



## REVIEW OF OPERATIONS

- Amenable to heap/vat leaching = No roasting or new technology;
- High recoveries with low acid consumption = Low-cost processing; and
- Lithium and Boron products = Two revenue streams.

Other key positive aspects of the Project include:

- Nevada location:
  - one of the world's most favourable and stable mining jurisdictions;
  - home to the USA's burgeoning electric vehicle industry with Tesla's gigafactory; and
  - well-developed infrastructure and skilled mining workforce.
- Simple ownership – 100% Global Geoscience with no private royalties.
- Management and technical team with proven track record in the development, delivery and operation of lithium and boron mines.
- Ideally positioned to supply the lithium and boron markets in the USA and Asia.
- Potential long-term US domestic supplier of lithium – a designated critical mineral.
- The Rhyolite Ridge PFS is likely to confirm the project's strong potential to become a cost-competitive, major producer of lithium carbonate and boric acid.

### Project Location

The Project is located:

- 25km west of Albermarle's Silver Peak lithium mine;
- 340km southeast of the Tesla Gigafactory near Reno;
- 530km north of Los Angeles;
- In Esmeralda County - the most sparsely populated county in Nevada;
- on Federal (Bureau of Land Management) land at an altitude of approximately 1,800m;
- in uninhabited semi-arid desert with annual rainfall averaging 10mm; and
- in Fish Lake Valley hydrographic basin which is recharged by run-off from the White Mountains to the west.



### Exploration History

From the 1850's through the 1890's, boron was extracted from several small mines in the region. Small-scale historical boron mining took place in the South Basin at Rhyolite Ridge.

In 1966, the Silver Peak Mine began extracting lithium from brines in Clayton Valley. Located approximately 25km east of Rhyolite Ridge, Silver Peak is currently the only producing lithium mine in the USA and is owned by Albemarle Corporation.

Two campaigns of modern lithium-boron exploration are known to have been undertaken within the project area.

In the 1980's US Borax (subsidiary of Rio Tinto Group) surface sampled and drilled a basin of lithium and boron-rich sediments over a 6km by 4km area. The area was known as the North Borate Hill project and US Borax completed 46 drill holes totalling about 17,000m. The work focussed on exploring for boron and the lithium mineralisation was largely ignored because it was of little value at the time.

In addition to the exploration completed at North Borate Hill, US Borax also drilled 12 holes at South Borate Hill where higher lithium values were noted. US Borax ranked their Borate Hills project as the second largest boron deposit in the USA.

In 2010 to 2011 American Lithium Minerals Inc and Japan Oil, Gas and Metals National Corporation ("JOGMEC") conducted exploration for lithium in the South Basin area. The exploration included surface samples and 36 drill holes. For non-technical reasons, the two companies did not take the project forward.

Global Geoscience secured an option over Rhyolite Ridge in June 2016 and completed the purchase of a 100% interest in the Project in July 2017. Global Geoscience now owns 100% interest in 481 unpatented mining claims covering an area of 29.5 km<sup>2</sup>. Global also has an option over unpatented mining claims covering a further 7 km<sup>2</sup> in the North Basin area.

### Rapid Progress During 2017/18

The following announcements highlight key accomplishments and rapid progress made during the past year:

August 2017	• Further high-grade mineralisation intercepted
September 2017	• A\$30 million underwritten placement
October 2017	• Further confirms high-grade mineralisation at Rhyolite Ridge • High-grade lithium-boron mineral resource doubles
December 2017	• Makes groundbreaking discovery - heap leach lithium-boron extraction at Rhyolite Ridge • Initial Rhyolite Ridge mining study confirms potential for long mine life from currently defined south basin resource
January 2018	• Appoints Amec Foster Wheeler for Rhyolite Ridge PFS
February 2018	• Optimisation success reduces leach time by 60%
March 2018	• Global Geoscience included in S&P/ASX 300 Index

May 2018	<ul style="list-style-type: none"><li>• Optimisation success leads to further significant reductions in leach time and acid consumption</li><li>• Successful completion of Phase 1 of Rhyolite Ridge PFS demonstrating a clear path forward</li></ul>
June 2018	<ul style="list-style-type: none"><li>• Development plans unveiled for the Rhyolite Ridge Lithium-Boron project</li><li>• Senior commercial executives appointed to Rhyolite Ridge Lithium-Boron project</li><li>• A\$53 million underwritten placement</li></ul>

### Advantages of Nevada Location

Nevada has a strong reputation as one of the best jurisdictions in the world for mining.

Mining and tourism are Nevada's two most important industries. Nevada has an abundance of natural resources making it one of the most important states in the country for mining. Minerals mined in Nevada include gold, silver, copper, lead, zinc, tungsten, uranium, manganese, opal and lithium.

Mining has been and continues to be vital to Nevada's economy. Nevada is a major global producer of gold and is the only state producing lithium, which is quickly becoming the "gold rush" of the 21st century due to its value for use in emerging technologies in stored energy.

The Fraser Institute has consistently ranked Nevada as being one of the best jurisdictions in the world to invest in mineral exploration and mining. This ranking takes into account mineral endowment, regulation, taxation, infrastructure, and political stability.

The many advantages of mining in Nevada over other jurisdictions include:

- Skilled mining workforce;
- Substantive mining support businesses;
- Well-developed infrastructure;
- Favourable geology and large mineral endowment;
- Excellent access to public land;
- Arid climate;
- Streamlined permitting;
- Supportive State Government;
- Local County receives a net proceeds royalty; and
- Home to the USA's burgeoning electric vehicle industry with Tesla's giga factory.

Taxes are relatively low in Nevada with a net proceeds minerals tax not exceeding 5% (split between the local County and State) and a Federal corporate tax rate of 21%.

Nevada's long mining history is reflected in its nickname the "Silver State". However, Nevada may soon become recognised as the key lithium state in the USA as Rhyolite Ridge becomes an important domestic source of this critical mineral.



### Geology

The Rhyolite Ridge Lithium-Boron Project covers two separate lithium-boron deposits (North Basin and South Basin) located four km apart. The mineralisation occurs in flat lying sedimentary rocks as two or more stacked layers. The sedimentary rocks are up to 300m thick and the mineralised layers within are 20 to 70m thick. Separate layers host lithium-boron (searlesite) and lithium-only (clay-rich) mineralisation. The lithium-boron mineralisation has a low clay content making it significantly easier and lower cost to process.

The lithium-boron mineralisation typically contains 1,500-2,000ppm lithium and greater than 1.0% boron, is higher in silica, sodium and potassium and lower in calcium and magnesium and occurs in 20m to 70m thick layers containing abundant searlesite (20-40%) and low clay content. Searlesite is a sodium-boron-silicate mineral. The lithium-only mineralisation typically contains over 2,000ppm lithium, less than 0.02% boron and occurs in clay-rich layers.

There are at least two separate layers of lithium-boron mineralisation (upper zone and lower zone) separated by 30-50m of barren sediments. The upper zone outcrops and the lower zone is shallow (<40m) along the western margin of South Basin. Both types of mineralisation are very consistent laterally over at least several square kilometres.

The host rocks are dominated by the minerals searlesite (boron-bearing), sepiolite (lithium-bearing), K-feldspar, calcite and dolomite – although further testing is required to confirm the lithium bearing mineral(s). Unlike most other sedimentary-type lithium deposits, the lithium-boron mineralisation at Rhyolite Ridge has low clay content, making it easier and lower-cost to process.

Both basins have not been significantly structurally disturbed since deposition and the thick lithium-boron mineralisation is very consistent laterally making for very simple, low-cost mining.

#### High-grade searlesite lithium-boron mineralisation in outcrop at South Basin



## REVIEW OF OPERATIONS

Rhyolite Ridge is one of only two major lithium-boron deposits globally. This mineralisation style is different to the brine and pegmatite deposits that are the source of nearly all the lithium mined today. The unique combination of the boron-bearing mineral searlesite and the lithium-bearing mineral sepiolite in a low-clay host rock has provided attractive processing routes with high recoveries of both metals.

### Mineral Resource

Global Geoscience released an updated Mineral Resource estimate for the South Basin at Rhyolite Ridge on 31 October 2017.

Covering only part of the western side of the South Basin, the Mineral Resource remains open to the north, south and east and has significant potential to expand with further drilling of the South Basin. Not included in the Mineral Resource estimate is known lithium-boron mineralisation in the North Basin at Rhyolite Ridge

The total Indicated and Inferred Resource for the South Basin at Rhyolite Ridge is estimated to be (at a 1,050ppm lithium cut-off):

- 460 million tonnes at 1,700ppm lithium (equivalent to 0.9% lithium carbonate) and 0.46% boron (equivalent to 2.6% boric acid); and
- containing 4.1 million tonnes of lithium carbonate and 11.9 million tonnes of boric acid.

This includes both the lithium-boron (searlesite) mineralisation and the lithium-only (clay-rich) mineralisation.

#### October 2017 Mineral Resource Estimate (1,050ppm Li Cut-off)

Total Resource including Lithium-Only (Clay) Mineralisation and Lithium-Boron Searlesite (Non-Clay) Mineralisation

Group	Classification	Tonnage Mt	Li ppm	B ppm	Li <sub>2</sub> CO <sub>3</sub> %	H <sub>3</sub> BO <sub>3</sub> %	K <sub>2</sub> SO <sub>4</sub> %	Contained		
								Li <sub>2</sub> CO <sub>3</sub> kt	Boric Acid kt	Potassium kt
Upper Zone	Indicated	147.7	1,910	7,690	1.0	4.4	1.7	1,500	6,490	2,490
	Inferred	<u>68.9</u>	<u>2,140</u>	<u>5,300</u>	<u>1.1</u>	<u>3.0</u>	<u>1.8</u>	<u>780</u>	<u>2,090</u>	<u>1,240</u>
	<b>Total</b>	<b>216.6</b>	<b>1,980</b>	<b>6,930</b>	<b>1.1</b>	<b>4.0</b>	<b>1.7</b>	<b>2,290</b>	<b>8,580</b>	<b>3,720</b>
Lower Zone	Indicated	126.0	1,390	3,430	0.7	2.0	1.7	930	2,460	2,140
	Inferred	<u>116.8</u>	<u>1,500</u>	<u>1,490</u>	<u>0.7</u>	<u>0.7</u>	<u>1.5</u>	<u>840</u>	<u>870</u>	<u>1,790</u>
	<b>Total</b>	<b>242.9</b>	<b>1,440</b>	<b>2,500</b>	<b>0.7</b>	<b>1.4</b>	<b>1.6</b>	<b>1770</b>	<b>3,330</b>	<b>3930</b>
Upper & Lower Zone	Indicated	273.7	1,670	5,730	0.9	3.3	1.7	2,440	8,950	4,630
	Inferred	<u>185.8</u>	<u>1,730</u>	<u>2,900</u>	<u>0.9</u>	<u>1.6</u>	<u>1.6</u>	<u>1,620</u>	<u>2,960</u>	<u>3,020</u>
	<b>Grand Total</b>	<b>459.5</b>	<b>1,700</b>	<b>4,590</b>	<b>0.9</b>	<b>2.6</b>	<b>1.7</b>	<b>4,060</b>	<b>11,910</b>	<b>7,650</b>

The Indicated and Inferred Resource includes the lithium-boron (searlesite) mineralisation totalling (at a 1,050ppm Li and 0.5% B cut-off):

- 137 million tonnes at 1,800 ppm lithium (equivalent to 0.9% lithium carbonate) and 1.26% boron (equivalent to 7.2% boric acid);
- containing a total of 1.3 million tonnes of lithium carbonate and 9.9 million tonnes of boric acid; and
- 75% in the Indicated category.

### October 2017 Mineral Resource Estimate (1,050ppm Li and 0.5% B Cut-off)

#### Lithium-Boron Searlesite (Non-Clay) Mineralisation

Group	Classification	Tonnage Mt	Li ppm	B ppm	Li <sub>2</sub> CO <sub>3</sub> %	H <sub>3</sub> BO <sub>3</sub> %	K <sub>2</sub> SO <sub>4</sub> %	Contained		
								Li <sub>2</sub> CO <sub>3</sub> kt	Boric Acid kt	Potassium kt
Upper Zone	Indicated	73.6	1,800	14,600	1.0	8.3	2.0	700	6,150	1,490
	Inferred	<u>28.7</u>	<u>2,020</u>	<u>11,850</u>	<u>1.1</u>	<u>6.8</u>	<u>2.2</u>	<u>310</u>	<u>1,950</u>	<u>640</u>
	<b>Total</b>	<b>102.4</b>	<b>1,860</b>	<b>13,830</b>	<b>1.0</b>	<b>7.9</b>	<b>2.1</b>	<b>1,010</b>	<b>8,090</b>	<b>2,130</b>
Lower Zone	Indicated	29.5	1,410	9,490	0.7	5.4	1.6	220	1,600	480
	Inferred	<u>5.3</u>	<u>1,560</u>	<u>6,870</u>	<u>0.8</u>	<u>3.9</u>	<u>2.0</u>	<u>40</u>	<u>210</u>	<u>110</u>
	<b>Total</b>	<b>34.8</b>	<b>1,430</b>	<b>9,090</b>	<b>0.8</b>	<b>5.2</b>	<b>1.7</b>	<b>260</b>	<b>1,800</b>	<b>580</b>
Upper & Lower Zone	Indicated	103.1	1,680	13,140	0.9	7.5	1.9	920	7,740	1,970
	Inferred	<u>34.0</u>	<u>1,950</u>	<u>11,070</u>	<u>1.0</u>	<u>6.3</u>	<u>2.2</u>	<u>350</u>	<u>2,160</u>	<u>740</u>
	<b>Grand Total</b>	<b>137.1</b>	<b>1,750</b>	<b>12,620</b>	<b>0.9</b>	<b>7.2</b>	<b>2.0</b>	<b>1,280</b>	<b>9,900</b>	<b>2,710</b>

Note: Totals may differ due to rounding, Mineral Resources reported on a dry in-situ basis.

The North Basin was drilled by US Borax during the 1980's and intercepted significant lithium and boron. Global Geoscience has drilled two holes in the North Basin and further drilling will be necessary to estimate an initial Mineral Resource for this large area.

### Mining

The Rhyolite Ridge deposit is amenable to low-cost, open-pit mining methods. The Mineral Resource outcrops over a three kilometre strike length along the western margin of the South Basin and generally dips gently to the east.

The thick (>20m) lithium-boron searlesite (non-clay) mineralisation is very consistent along strike and down dip. The host rock is competent but relatively soft (hardness of 3.5 on Mohs scale).

Mining studies have shown the potential for higher cashflow in the early years by targeting higher lithium grades in the start-up phase of mining. This is shown in the table below where the first 15 million tonnes mined are at a grade of 1,957ppm lithium and 1.12% boron. The strip ratio is lower as the early stage of mining follows the outcropping (at or near surface) mineralisation along strike.

### Key Outcomes of August 2018 Mining Study

Pit Shell		15Mt (Start-up Pit)	34Mt Pit	92Mt Pit
Tonnage of Mineralisation	Mt	15	34	92
Strip Ratio	t:t	4.8	5.9	5.7
Mined Grade – Lithium	ppm	1,957	1,901	1,735
Mined Grade – Boron	%	1.12	1.38	1.23
Contained Lithium Carbonate	kt	153	328	850
Contained Boric Acid	kt	941	2,547	6,461
Footprint of pit	sq. mile	0.32	0.43	2.57

Note: Each consecutive pit is inclusive of the previous pit. The total mineable quantity is 92Mt.

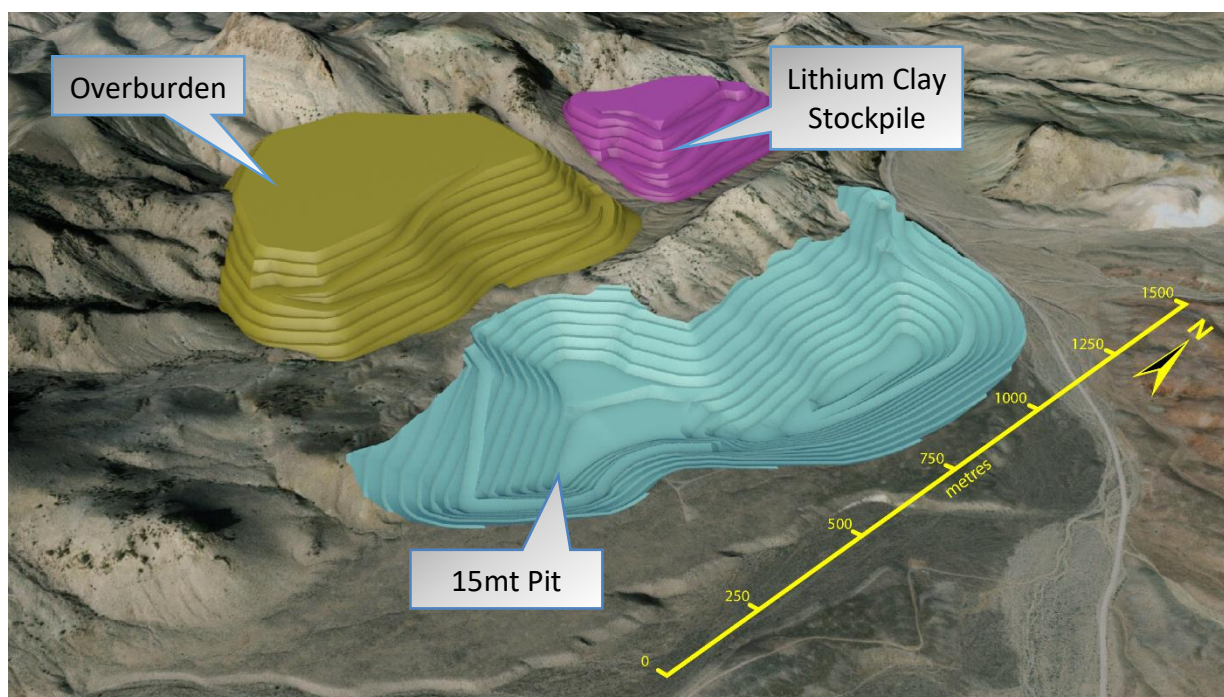
## REVIEW OF OPERATIONS

The above table is based on only the Indicated Resource for the lithium-boron (Searlesite) mineralisation.

The lithium-only (clay) mineralisation in the Mineral Resource is excluded as it is likely to require different processing. Testwork on the lithium-only mineralisation has not yet been completed, but it is reasonable to assume this mineralisation will be stockpiled for potential future processing.

Detailed mine planning is continuing as part of the PFS process and hence the above outcomes may change with further engineering and updated information.

### Schematic of Start-up Pit Area (Looking Northwest)



## Processing

The proposed Rhyolite Ridge processing flowsheet uses well-proven conventional processing technology and, unlike most other hard rock lithium deposits (spodumene, lepidolite and clay), the mineralisation does not require roasting to liberate the lithium and boron.

Metallurgical testwork has demonstrated that simple, low-cost vat or heap leach processing can be used to extract lithium and boron at high recovery rates into a Pregnant Leach Solution (“PLS”). Vat leaching was selected as the preferred processing technology for Rhyolite Ridge following a trade-off study completed in May 2018.

Lithium and boron are removed from the PLS through crystallisation and purification steps to produce lithium carbonate and boric acid at the mine.

The process flowsheet involves conventional, well understood processing technology that has been proven and is in use at commercial scale:



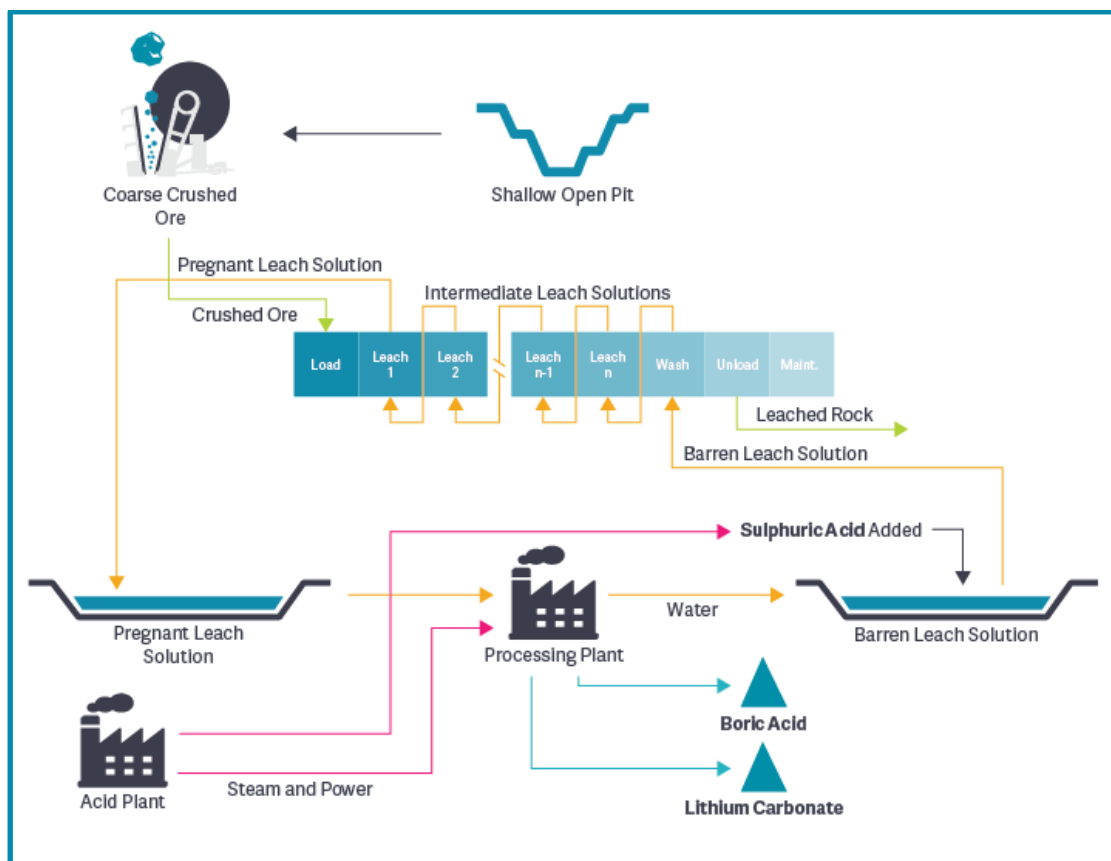
- **Sulphuric acid leach to extract lithium and boron from crushed rock into a Pregnant Leach Solution (“PLS”).** This step is similar to acid leaching commonly used in oxide copper mines.
- **Evaporation and concentration of the PLS followed by crystallisation of boric acid.** Using mechanical evaporators, which provide substantial water savings, the PLS is concentrated. The boric acid product is then purified using conventional crystallisation and recrystallisation steps to produce high-purity boric acid. This step is similar to the process used at Rio Tinto’s Boron Mine in California.
- **Further evaporation and concentration of the PLS removes the remaining impurities via precipitation and ion exchange, followed by precipitation of lithium carbonate.** This step is very similar to the process used in lithium brine operations.

The mineralisation will be crushed to 25mm (1 inch) followed by leaching in a series of vats using a sulphuric acid/water mix.

Sulphuric acid will be made on-site in an acid plant using sulphur and water. In addition to sulphuric acid, the acid plant will generate large amounts of steam. The steam will be used to provide heat to the vats and mechanical evaporators. Steam will also be used to drive turbines to produce electricity. The acid plant is expected to generate steam and electricity in excess of what is required by the operation. Excess electricity will be available for sale into the electricity grid.

Boron and lithium will be extracted from the PLS via a series of evaporation, crystallisation and purification steps.

A schematic overview of these proposed steps is provided below.



## REVIEW OF OPERATIONS

The proposed processing technologies are well understood and have been proven at commercial scale. Key aspects of the proposed flowsheet are:

- On-site acid plant produces sulphuric acid from sulphur and water. The process is exothermic and produces large amounts of steam. The steam is used for heating vats and evaporators and for driving a steam turbine to generate electricity.
- Crushed rock containing lithium and boron is added to lined concrete vats and then flooded with a sulphuric acid and water solution.
- The acid and vats are heated to 50-60° C using steam from the acid plant. Heat is not necessary for the leaching process but does allow higher concentrations of boron and lithium in the PLS and subsequently, less concentration is required at the evaporation stage.
- Boron is removed from the PLS as boric acid via evaporation and crystallisation steps. The boric acid is purified using conventional steps including washing, filtration and recrystallisation.
- Impurities, including sodium, magnesium, calcium and iron, are removed from the PLS using evaporation and crystallisation/precipitation steps and ion exchange.
- Lithium is removed from the PLS as lithium carbonate using further evaporation and ultimately precipitation via the addition of soda ash (sodium carbonate).

In addition to producing technical or battery-grade lithium carbonate at site, metallurgical studies are also evaluating producing alternative lithium products such as lithium sulphate or lithium hydroxide.

Rhyolite Ridge also has the potential to produce marketable quantities of potassium sulphate (sulphate of potash) and sodium sulphate at the mine site.

Further metallurgical testwork is ongoing and is being scaled up to produce samples for customers.

### **Pre-Feasibility Study**

Global Geoscience, together with Wood Group (Amec Foster Wheeler), is close to completing the Rhyolite Ridge PFS.

The Project has the potential to supply approximately 160,000-220,000 tonnes of boric acid and 20,000-30,000 tonnes of lithium carbonate per annum in the initial phase and is readily expandable.

The PFS is evaluating:

- Mining rate of 3-4 million tonne per annum;
- Mining plan based Indicated Resource of 103 million tonnes;
- Acid leaching lithium-boron Searlesite mineralisation;
- Stockpiling lithium-only clay mineralisation;

## REVIEW OF OPERATIONS

- On-site acid plant with co-generation power plant;
- Coarse (25mm) crush, vat leaching, mechanical evaporation;
- Dry stacking of vat leach and salt residues; and
- Economics of producing lithium and boron co-products.

The Rhyolite Ridge Definitive Feasibility Study and the environmental approval process are anticipated to be completed during the second half of 2019.

### **Marketing**

Global Geoscience has built a very strong and highly experienced marketing team that includes Michael Le Page (Australia based - commercial director), Yoshi Nagai (Singapore based - sales & business development director) and Lynette Pierson (USA based - national sales director). All three people have extensive experience with Rio Tinto and Rio Tinto Minerals and have a wide range of commercial experience in a variety of industrial minerals including borates. Michael was the chief commercial officer and director of Rio Tinto Minerals. Yoshio was the Vice President of Sales in Asia and Lynette was a senior sales manager in the USA.

The Company has completed detailed pre-feasibility studies of the borates and lithium markets and is building relationships with potential key customers in USA and Asia.

The Project is ideally located to supply boric acid and lithium carbonate to the large American domestic market and into the large and more rapidly growing Asian markets with low-cost shipping from the west coast of the USA. There is only one major boron mine operating in the USA and none in the Asia-Pacific region.

Demand for lithium carbonate is forecast to increase at 15 to 20 percent per annum as the demand for lithium-ion batteries rapidly increases for electric vehicles.

Boric acid demand is forecast to steadily increase at 4 to 5 percent per annum due to its many uses being integral to various aspects of modern life. Rhyolite Ridge is aiming to become the world's third largest producer of boric acid, behind only Turkish company Eti Maden and Rio Tinto who together supply approximately 80% of the world's refined borates. The global market for borates is more than US\$3 billion per annum with boric acid selling for around US\$700 per tonne. The borates market is similar in value to the current lithium market.

Rhyolite Ridge is uniquely placed to competitively produce lithium carbonate and boric acid which are both a growing part of a more energy-efficient future.

## Glossary and Abbreviations

B	Boron
Carbonate minerals	Calcite and dolomite
DFS	Definitive Feasibility Study
H <sub>3</sub> BO <sub>3</sub>	Boric acid
GSC	Global Geoscience Limited
K-feldspar	Potassium feldspar
km	Kilometre
K <sub>2</sub> SO <sub>4</sub>	Potassium sulphate
Li	Lithium
Li <sub>2</sub> CO <sub>3</sub>	Lithium carbonate
LCE	Lithium carbonate equivalent
PFS	Pre-Feasibility Study
Searlesite	Sodium borosilicate mineral
Sepiolite	Magnesium silicate

## Competent Persons Statement

*The information in this report that relates to Exploration Results is based on information compiled by Bernard Rowe, a Competent Person who is a Member of the Australian Institute of Geoscientists. Bernard Rowe is an employee and Managing Director of Global Geoscience Ltd. Bernard has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). Bernard Rowe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*In respect of Mineral Resources referred to in this report and previously reported by the Company in accordance with JORC Code 2012, the Company confirms that it is not aware of any new information or data that materially affects the information included in the public report titled "Global Geoscience Doubles High-Grade Lithium-Boron Mineral Resource" dated 31 October 2017 and released on ASX. Further information regarding the Mineral Resource estimate can be found in that report. All material assumptions and technical parameters underpinning the estimates in the report continue to apply and have not materially changed.*

*In respect of production targets referred to in this report and previously disclosed, the Company confirms that it is not aware of any new information or data that materially affects the information included in the public report titled "Start-up Phase of Mining to Target Higher Lithium Grades to Increase Cashflow in Early Years" dated 3 August 2018. Further information regarding the production estimates can be found in that report. All material assumptions and technical parameters underpinning the estimates in the report continue to apply and have not materially changed.*



## SCHEDULE OF TENEMENTS

Project	ID	Name	Country	Status	Grant Date	Expiry Date	Area (km2)	Holder
<b>RHYOLITE RIDGE:</b>								
Rhyolite Ridge	NMC1117360	SLB claims	USA	Granted	Various	Not applicable	16.5	Paradigm Minerals Arizona
Rhyolite Ridge	NMC1171536	SLM claims	USA	Granted	Various	Not applicable	9.7	Paradigm Minerals Arizona
Rhyolite Ridge	NMC1147932	SLP claims	USA	Granted	Various	Not applicable	9.7	Paradigm Minerals USA
Rhyolite Ridge	NMC1118666	NLB claims	USA	Granted	Various	Not applicable	13.0	Paradigm Minerals Arizona
Rhyolite Ridge	NMC1129523	BH claims	USA	Granted	Various	Not applicable	7.0	Nevada Alaska Mining Co
<b>OTHER TENEMENTS:</b>								
New Morenci	AMC393550	MP claims	USA	Granted	30/04/2008	Not applicable	0.12	Paradigm AZ LLC
Tokop	NMC883619	TK claims	USA	Granted	29/11/2004	Not applicable	4.82	Paradigm Minerals USA
Tokop	NMC285234	Path Patents	USA	Granted	Private Land	Not applicable	0.74	Apex-76 Deep Mines Co.
Tokop	NMC814692	Central East	USA	Granted	21/02/2000	Not applicable	0.08	John F Path Jr
Tokop	NMC814688	Talisman	USA	Granted	07/01/2000	Not applicable	0.08	John F Path Jr
Tokop	NMC814689	Talisman Ext'n	USA	Granted	07/01/2000	Not applicable	0.08	John F Path Jr
Tokop	NMC814690	Velvet Ledge	USA	Granted	04/02/2000	Not applicable	0.08	John F Path Jr
Tokop	NMC814691	Velvet Ledge Ext'n	USA	Granted	07/02/2000	Not applicable	0.08	John F Path Jr
Bartlett	NMC938020	PEARL claims	USA	Granted	02/11/2006	Not applicable	0.67	Secret Pass Gold Inc
Coaldale	NMC1167700	CLD claims	USA	Granted	21/03/2018	Not applicable	5.2	Gerlach Gold LLC
Grifco Mine	NMC1166909	GD claims	USA	Granted	28/02/2018	Not applicable	1.1	Gerlach Gold LLC
Grifco Mine	NMC1166813	SM claims	USA	Granted	28/02/2018	Not applicable	7.7	Gerlach Gold LLC
Lone Mt	NMC913404	NAMMCO claims	USA	Granted	Various	Not applicable	5.43	NAMMCO and others
Lone Mt	NMC1071591	LMG claims	USA	Granted	08/03/2012	Not applicable	2.80	Paradigm Minerals USA
Lone Mt	NMC1094601	SW claims	USA	Granted	29/09/2013	Not applicable	2.0	Paradigm Minerals USA
Towers Mt	AMC426407	CK claims	USA	Granted	8/12/2013	Not applicable	2.54	Paradigm AZ LLC

## DIRECTORS REPORT

The directors of Global Geoscience Limited present their report on the consolidated entity (Group), consisting of Global Geoscience Limited and the entities it controlled at the end of, and during, the financial year ended 30<sup>th</sup> June 2018.

The following persons were directors of Global Geoscience Limited during the whole of the financial year and up to the date of this report. Their qualifications and experience are:

### **Mr. James D Calaway, *Chairman***

BA (Econ), MA (PP&E)

James Calaway was appointed a Director in April 2017 and has served as Chairman since June 2017. Mr Calaway is a respected businessman and civic leader in Houston, Texas. He has considerable experience and success in building young companies into successful commercial enterprises. Mr Calaway and his family have played major roles in the development of both public and private companies in the United States, including companies engaged in lithium operations, oil and gas exploration and production, enterprise software and solar farm development.

Until his retirement in July 2016, Mr. Calaway served for eight years as Non-Executive Chairman of the Board of Orocobre Ltd, helping lead the company from its earliest development to becoming a significant producer of lithium carbonate and a member of the ASX 300.

Mr Calaway currently serves as Chairman of the Board of Distributed Power Partners, a leader in clustered distributed solar power development, and has served as a Director on several other U.S. corporate boards. Mr. Calaway is active in the Houston community recently serving as the Chairman of the Board of the Centre for Houston's Future, and the Chairman of the Houston independent School District Foundation, among others.

Mr Calaway is a graduate of the University of Texas and the University of Oxford.

Mr Calaway is a member of the Remuneration Committee.

### **Mr. Bernard Rowe, *Managing Director***

BAppSc (Geology) (Hons)

Bernard Rowe is a geologist, manager and company director with more than 25 years' international experience in mineral exploration and mine development. His early career was with global diamond miner and explorer, Ashton Mining Ltd. Mr Rowe spent five years with the Ashton exploration team in Scandinavia and Russia in the early 1990's. He then went on to establish and run Ashton's exploration programs in West Africa – Mali, Burkina Faso and Mauritania. He returned to Australia in the late 1990's and was involved in four mineral exploration public company listings culminating in Global Geoscience in 2007 where he took on the role of managing

director. His diverse mineral industry experience includes gold, copper, zinc, diamond, lithium and boron exploration in Australia, Europe, Africa, North America and South America.

Mr Rowe is a founding shareholder of Global Geoscience. As Managing Director, he led the Company's listing on the ASX in 2007 with a focus on gold and copper exploration in Nevada and Peru.

Mr Rowe led the small but highly effective team at Global Geoscience for over ten years, striking funding agreements with Inmet Mining (2011), Osisko Mining (2012) and Antofagasta (2013).

In early 2016 Mr Rowe visited for the first time a little-known lithium-boron project in southern Nevada – later to be renamed Rhyolite Ridge. He realised the potential opportunity and quickly secured a 12-month option over the project to give the Company sufficient time to fully assess and evaluate the unique and poorly understood deposit.

Mr Rowe is a member of the Australian Institute of Geoscientists, the Society of Economic Geologist and the Geological Society of Nevada.

### **Mr Alan Davies, *Director***

BBus (Acctcy), LLB, LLM

Alan Davies has 20 years of experience in running and leading mining businesses, most recently as chief executive, Energy & Minerals with Rio Tinto and previously held the position of chief executive, Diamonds & Minerals since 2012. Mr Davies was on the Executive Committee of Rio Tinto and held management positions in Australia, London and the US for Rio Tinto's Iron Ore and Energy businesses, and managed operations and projects across the globe and across commodities in Africa, Asia, Australia, Europe and North and South America. Mr Davies was also previously president international, and chief financial officer of Rio Tinto's Iron Ore business. Mr Davies has significant experience in industrial minerals businesses including borates where he led the Rio Tinto Borax business and the Jadar lithium/boron deposit in Serbia.

Mr Davies currently is an investor into the copper and zinc explorer and developer, Moxico Resources plc and was named its chief executive in March 2017, and Global Strategy Advisor to Lionsgold Limited - a vertically integrated gold company that is the central operator of the physical gold currency and banking network, Goldbloc®, and developer of strategic mining interests in India and other jurisdictions, and is Chairman of Trigem DMCC.

Mr Davies is a Fellow of the Institute of Chartered Accountants in Australia, and previously a Non-Executive director of Rolls Royce Holdings plc, the British aerospace and engineering leader.

Mr Davies is a member of the Remuneration and Audit & Risk Committees.

### **Mr. Patrick Elliott, *Director***

B.Comm. MBA Mineral Economics

Patrick Elliott is a company director specialising in the resources sector with over 40 years experience in investment and corporate management. His early career was at Consolidated Gold

Fields Australia Limited and covered investment analysis and management, minerals marketing (copper concentrates, tin concentrates, rutile and zircon). In 1979 he went into investment banking and became Head of Corporate Finance for Morgan Grenfell Australia Limited in 1982. Mr Elliott subsequently became Managing Director of Natcorp Investments Ltd in 1986 which owned a number of manufacturing businesses. After its takeover he became an active early stage venture capital investor with an emphasis on resources.

Mr Elliott is Chairman of Argonaut Resources NL, Cap-XX Limited, Tamboran Resources Limited and Variscan Mines Limited and a Non-Executive Director of Kirrama Resources Limited. Mr Elliott is a director of a number of privately owned companies.

Mr Elliott is a founding shareholder in Global Geoscience Limited.

Mr Elliott is the Chairman of the Audit & Risk Committee.

### **Mr John Hofmeister, *Director***

BA (Political Science), MA (Political Science), PhD (Houston), D.Lit (Kansas)

Mr. Hofmeister was the president of Shell Oil Company (U.S.A.) from 2005 to 2008 and director of human resources. Upon retirement as president of Shell Oil Company in 2008, Mr. Hofmeister founded and headed the not-for-profit membership association, Citizens for Affordable Energy. Mr. Hofmeister is a key member of the “United States Energy Security Council”, a bipartisan group that includes several dozen former presidential appointees and Fortune 500 chief executive officers who focus on national security through energy security. Mr. Hofmeister also has held executive leadership positions in General Electric Company, Nortel Network Corporation and AlliedSignal (now Honeywell International Inc.).

Mr Hofmeister serves as non-Executive director of Applus+ Services (Spain). Mr Hofmeister was formerly a non-executive director of Hunting Plc London (United Kingdom).

He holds a Bachelors and Masters Degree in Political Science from Kansas State University. In May 2010, he was awarded an honorary doctorate from the University of Houston, and in 2014 he was appointed as Doctor of Letters at the Kansas State University.

Mr Hofmeister is the Chair of the Remuneration Committee and a member of the Audit & Risk Committee.

### **Mrs. Joanna Morbey, *Company Secretary***

B.Com CA

Joanna is a member of Chartered Accountants, Australia and New Zealand and has over 35 years experience in accounting and company secretarial duties in the investment banking, property development and the mineral exploration industries.

## DIRECTORS' INTERESTS IN SHARES AND OPTIONS

Directors' interests in shares and options as at 30th June 2018 and at the date of this report are set out in the table below.

**Table 1 – Director's Interest in Shares and Options as at 30<sup>th</sup> June 2018**

	Shares held	Options held	Shares held	Options held
	As at 30 June 2018	As at 30 June 2018	At report date	At report date
<b>JD Calaway</b>	31,600,000	40,000,000	31,600,000	40,000,000
<b>B Rowe</b>	61,475,918	-	61,475,918	-
<b>A Davies</b>	1,912,298	500,000	2,047,298	500,000
<b>P Elliott</b>	19,446,722	-	19,446,722	-
<b>J Hofmeister</b>	310,000	500,000	310,000	500,000

## Principal Activities

The continuing principal activity of the Group is the development of the Rhyolite Ridge Lithium-Boron deposit in Nevada, United States of America.

## Results

The net result of operations after applicable income tax expense was a loss of \$2,494,084 (2017 : loss of \$7,471,597\*).

\* refer to note 22 for details of the restatement

## Dividends

No dividends were paid or proposed during the year.

## Review of Operations

Global Geoscience is focused on developing the 100%-owned Rhyolite Ridge Lithium-Boron Project in Nevada, USA. The near surface 460 Mt Resource contains 4.1 Mt of lithium carbonate and 11.3Mt of boric acid. The directors believe the Rhyolite Ridge has excellent potential to rapidly become a strategic, long-life, low-cost source of lithium and boron.

## Financial Position

As at 30 June 2018 the company cash position of AUD80.5 million will fully fund the company until the decision to mine is made by the directors in late 2019.

## Corporate Structure

Global Geoscience Limited is a limited company that is incorporated and domiciled in Australia.

## Employees

The Company had three full time employees as at 30<sup>th</sup> June 2018.

## Significant Changes

The Directors are not aware of any other significant changes in the state of affairs of the Group occurring during the financial year, other than as disclosed in this report.

## **Matters Subsequent to the End of the Financial Period**

Other than where stated at Note 19 to the Financial Statements, there were at the date of this report no matters or circumstances which have arisen since 30th June 2018 that have significantly affected or may significantly affect:

- i) the operations of the Company,
- ii) the results of those operations, or
- iii) the state of affairs of the Company,

## **Likely Developments and Expected Results**

The Group is working towards the development of the Rhyolite Ridge Lithium-Boron project in Nevada, United State of America. The Company is currently working through the pre-feasibility study that is due to be released on the Australian Securities Exchange early October. The Company will be undertaking the definitive feasibility study once the prefeasibility study is announced to shareholders. It is not possible to postulate likely developments and any expected results.

## **Remuneration Report – Audited**

This report outlines the remuneration arrangements in place for Key Management Personnel (KMP) which includes the Non-Executive Directors and the Managing Director and two other executives of the Company.

The information in this remuneration report has been audited as required by section 308 (C) of the *Corporations Act 2001*.

At the 2017 Annual General Meeting the Company remuneration report was passed by the requisite majority of shareholders and a 100% show of hands in attendance at the meeting.

The remuneration report is set out under the following main headings:

- (a) Policy used to determine the nature and amount of remuneration
- (b) Key management personnel
- (c) Details of remuneration
- (d) Cash bonuses
- (e) Share-based payment bonuses
- (f) Options and rights granted as remuneration
- (g) Service agreements (employment contracts)

### **a) Policy used to determine the nature and amount of remuneration**

The Company has engaged the services of external consultants on a number of occasions this year to provide advice to the remuneration committee on remuneration policy. Due to the unique nature of the Rhyolite Ridge project and the exponential growth of the Company's market capitalisation over the past two years advice was sought to ensure that the enormous workload put in by the non-executive directors, together with the management team of three is being appropriately rewarded.

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with

achievement of strategic objectives and the creation of value for shareholders. The Board believes that KMP remuneration satisfies the following key criteria:

- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency
- capital management

Remuneration packages may contain the following key elements:

- primary benefit – salary / fees and bonuses
- post-employment benefits – superannuation and prescribed retirement benefits
- equity – options and performance rights granted under shareholder approved equity incentive plans.

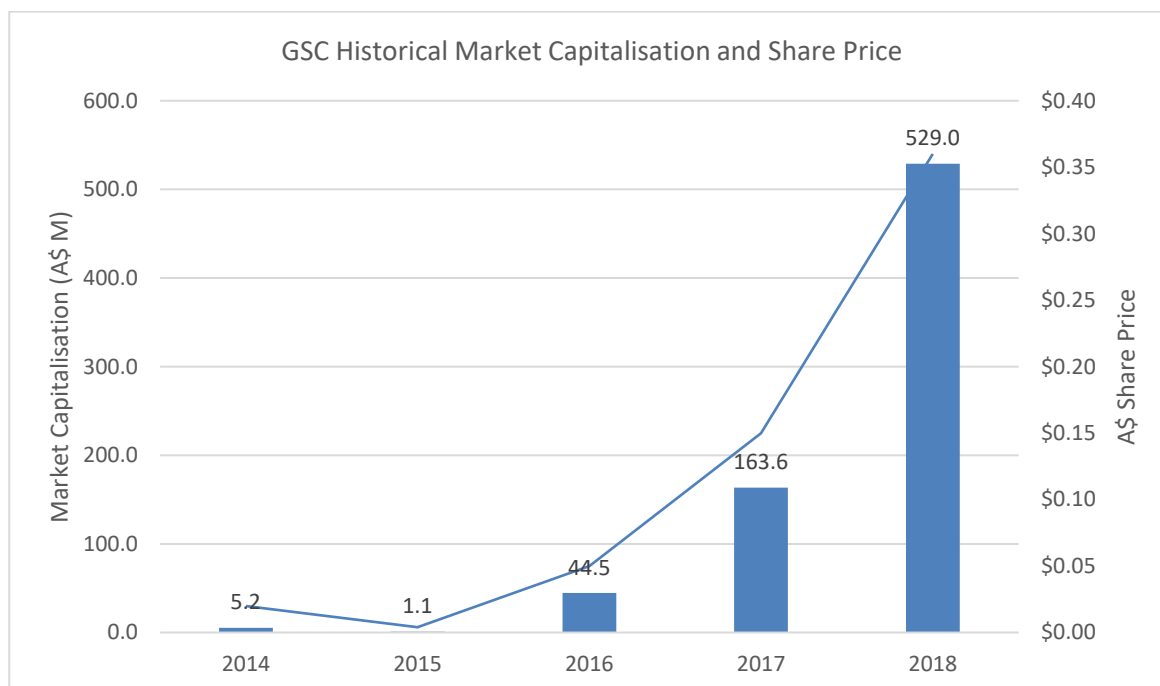
None of the Company's current KMP remuneration packages are linked to the Company's profitability or other measure of performance, due to the nature of the Group's activities. The performance rights that were issued in 2017 had vesting conditions linked to the Company's share price.

Fees and payments to the KMP reflect the demands which are made on, and the responsibilities of the directors and the management. Such fees and payments are reviewed annually by the Board. The KMP are entitled to receive options under the Company's employee share option scheme and the Company's Performance Rights Plan. No new issues were made during the current financial year.

In support of the increase in remuneration to KMP the following graph shows the growth in the company lead by the current KMP since the announcement of the Rhyolite Ridge Lithium-Boron project (dated 3 June 2016):

**Table 2 - Historical Market Capitalisation**

	2014	2015	2016	2017	2018
<b>Shares on issue</b>	216,202,467	272,443,761	909,068,761	1,128,253,647	1,469,497,083
<b>share price at year end</b>	\$0.02	\$0.004	\$0.05	\$0.15	\$0.36
<b>Net Loss for the year</b>	(4,825,068)	(1,342,444)	(4,758,419)	(7,471,597*)	(2,494,084)
<b>Loss per share</b>	(0.025)	(0.007)	(0.0078)	(0.007)	(0.003)
<b>Market Capitalisation</b>	5,188,859	1,089,775	44,544,369	163,596,779	529,018,950



**Figure 1 - Market Capitalisation and Share Price**

\* refer to note 22 for details of the restatement

### **b) Key management personnel**

The following persons were key management personnel of Global Geoscience Limited during the financial year:

<u>Name:</u>	<u>Position held:</u>	
James D Calaway	Chairman	Appointed 5 April 2017
Bernard Rowe	Managing Director	Appointed 23 August 2007
Alan Davies	Non-Executive Director	Appointed 23 May 2017
Patrick Elliott	Non-Executive Director	Appointed 30 April 2003
John Hofmeister	Non-Executive Director	Appointed 23 May 2017
Matt Weaver	Senior Vice-President	
	Engineering and Operations	Appointed 28 November 2017
Joanna Morbey	Company Secretary	Appointed 21 March 2003

### **c) Details of remuneration**

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-Executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the Non-Executive Directors has been fixed at a maximum of \$1,000,000 per annum to be apportioned among the Non-Executive directors in such a manner as they determine. The total director fees paid to the Non-Executive directors in 2018 was \$424,728. (2017: \$134,300)



## DIRECTORS REPORT

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as directors. It was also agreed that the Chair of the Audit and Risk Committee and the Chair of the Remuneration Committee be paid an additional \$7,142 (USD5,000) per annum to reflect the additional time spent in managing the additional workload.

Details of the nature and amount of each element of the remuneration of each of the directors of Global Geoscience Limited and the two senior executives of the Company and the consolidated entity during the year ended 30th June 2018 are set out in the following tables.

**Table 3 - Director and senior executive remuneration Year End 2018**

Year ended 30 June 2018	Cash, Salary, Directors fee and Consulting fees \$	Cash Bonus \$	Superannuation and employee benefits \$	Options \$	Performance Rights \$	Total \$	Proportion of Remuneration that is performance based %	% of value of remuneration that consists of options/rights
<b>Directors:</b>								
JD Calaway	226,269	-	-	-	-	226,269	-	-
B Rowe <sup>(2)</sup>	285,000	142,500	27,075	-	117,837	572,412	24.9%	20.6%
A Davies	66,153	-	-	-	-	66,153	-	-
P Elliott <sup>(2)</sup>	66,153	-	-	-	29,459	95,612	-	30.8%
J Hofmeister	66,153	-	-	-	-	66,153	-	-
<b>Key Personnel:</b>								
M Weaver <sup>(1)</sup>	208,294	97,414	18,897	-	100,325	424,930	22.9%	23.6%
J Morbey <sup>(2)</sup>	168,950	-	16,050	-	29,459	214,459	-	13.7%
<b>TOTAL Remuneration</b>	<b>1,086,972</b>	<b>239,914</b>	<b>62,022</b>	<b>-</b>	<b>277,080</b>	<b>1,665,988</b>		

(1) M Weaver commenced employment on 27 November 2017. These performance rights were issued in January 2018.

(2) The performance rights relating to these KMP's were issued on 27 February 2017.

**Table 4 - Director and senior executive remuneration Year End 2017**

Year ended 30 June 2017	Cash, Salary, Directors fee and Consulting fees \$	Cash Bonus \$	Superannuation and employee benefits \$	Options \$	Performance Rights (4) \$	Total \$	Proportion of Remuneration that is performance based %	% of value of remuneration that consists of options/rights
<b>Directors:</b>								
JD Calaway <sup>(1)</sup>	20,300	-	-	4,576,000	-	4,596,300	-	99.5%
B Rowe	285,000	100,000	36,575	-	161,163	582,738	17.2%	27.6%
A Davies <sup>(2)</sup>	6,000	-	-	40,550	-	46,550	-	87.1%
P Elliott	36,000	-	-	-	40,291	76,291	-	52.8%
J Hofmeister <sup>(2)</sup>	6,000	-	-	40,550	-	46,550	-	87.1%
G Chiappini <sup>(3)</sup>	33,000	-	-	-	29,250	62,250	-	46.9%
B.Egerton Warburton <sup>(3)</sup>	33,000	-	-	-	29,250	62,250	-	46.9%
<b>Key Personnel:</b>								
J Morbey	116,154	-	846	-	40,291	157,291	-	25.6%
<b>TOTAL Remuneration</b>	<b>535,454</b>	<b>100,000</b>	<b>37,421</b>	<b>4,657,100</b>	<b>300,245</b>	<b>5,630,220</b>		

## DIRECTORS REPORT

<sup>(1)</sup> JD Calaway was appointed to the Board on 5<sup>th</sup> April 2017

<sup>(2)</sup> A Davies and J Hofmeister were appointed to the Board on 23<sup>rd</sup> May 2017

<sup>(3)</sup> G Chiappini and B Egerton-Warburton resigned from the Board on 23<sup>rd</sup> May 2017

<sup>(4)</sup> The valuation of the performance rights has been changed. Refer to Note 22, Restatement of Prior Period. These amounts have been adjusted to equate to the amount expensed for the comparative period.

Options do not represent cash payments to directors or key management personnel.

The value of any options or performance rights granted are valued and that cost is amortised over the vesting period of the option / performance rights. This amortisation is recognised as expenses and fully disclosed in the financial statements, resulting in an increase in directors and employee benefits expense for the relative financial year. All options and performance rights granted are valued using the Binomial option-priced model, which takes account of factors including the option exercise price, the share price at time of grant, volatility of the underlying share price, the risk-free interest rate and the expected life of the option / performance rights.

### **d) Cash bonuses**

Cash bonuses of \$239,914 were accrued for the year ended 30 June 2018 and were paid after balance date (2017: \$100,000).

### **e) Share-based payment bonuses**

There were no share-based payment bonuses issued to key management personnel during the 2018 financial year. (2017: Nil).

### **f) Options and performance rights granted as remuneration**

No options were granted to key management personnel as compensation during the 2018 financial year. (2017: 41,000,000)

No performance rights were granted to directors during the 2018 financial year. (2017: 31,500,000) Of these 31,500,000 performance rights, 10,500,000 options vested during the year ended 30 June 2017 as the share price hurdles set for the Class A performance rights were met. 15,000,000 options vested during the year ended 30 June 2018 as the share price hurdles set for the Class B and Class C performance rights were met. 6,000,000 were forfeited during the year ended 30 June 2017 when two participating directors resigned.

1,459,276 performance rights were issued to management during the 2018 financial year. (2017: 4,500,000).

The performance rights issued this financial period will vest after the employment hurdles relating to time served with the Company are met. The performance rights issued this financial period were valued at the market price at the time of granting, \$0.225. The cost of the performance rights have been amortised over three years.

### **g) Service Agreements (Employment Contracts)**

There is one current employment contract with the Senior Vice President, Engineering and Operations. Under the terms of the present contract this executive receives:

- Base salary – AUD 357,143 (USD250,000)
- 50% of Base salary bonus paid at the Board's discretion
- Participation in the GSC Equity Incentive Plan at the Board's discretion
- Notice period - 60 day upon resignation. 10-day termination – for cause
- Benefits provided are consistent with Australian superannuation laws.
- Other benefits are at the Board's discretion

The terms of this agreement are due for review in December 2018.

A new service agreement is currently being finalised with B Rowe. (2017: nil).

## **DIRECTORS' INTERESTS**

Any options and performance rights that are included in key management personnel remuneration are treated as follows (unless otherwise stated):

Fair values have been assessed using the Binomial method of option valuation methodology which takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the options, the current price and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

### **Share Capital, Options and Performance Rights**

The Company's capital, including options (unquoted options and employee options) and performance rights is as follows:

<b>QUOTED SECURITIES</b>	<b>ASX Code</b>	<b>Number</b>
Ordinary, fully paid shares	GSC	1,469,497,083
<b>UNQUOTED SECURITIES</b>		
Options		58,100,000
Performance Rights		1,459,276

### **Meetings of Directors**

Director's attendance at Directors meetings are shown in the following table:

**Table 5 -Meetings Attendance of Directors**

Director	Board Meetings		Audit and Risk Committee		Remuneration Committee	
	Meetings Eligible to Attend	Meetings Attended	Meetings Eligible to Attend	Meetings Attended	Meetings Eligible to Attend	Meetings Attended
<b>JD Calaway</b>	5	5	-	-	4	4
<b>B Rowe</b>	5	5	-	-	-	-
<b>A Davies</b>	5	5	3	3	4	4
<b>P Elliott</b>	5	5	3	3	-	-
<b>J Hofmeister</b>	5	4	3	3	4	4

## Equity Incentive Plans - Share Option Plan

The Group has established the Global Geoscience Ltd Share Option Plan (“the Plan”) to assist in the attraction, retention and motivation of the KMP’s as well as the retention of key consultants.

As at the date of this report, the following options have been issued:

**Table 6 - Summary of Unlisted Options on Issue for 2018**

2018	Number options granted	Number options vested	Fair value per option at grant date \$	Exercise Price \$	Amount Paid \$	Expiry Date	Date Issued
Total on issue 2017	<b>75,000,000</b>	<b>74,400,000</b>					
Less exercised in 2018	<b>(21,900,000)</b>	<b>(21,900,000)</b>					
<b>Consultants:</b>							
Union Square	1,250,000	1,250,000	0.3035	0.125	-	9-Jan-2020	9-Jan-2018
Union Square	1,250,000	1,250,000	0.2887	0.150	-	9-Jan-2020	9-Jan-2018
Union Square	1,250,000	1,250,000	0.2751	0.175	-	9-Jan-2020	9-Jan-2018
Union Square	1,250,000	1,250,000	0.2627	0.200	-	9-Jan-2020	9-Jan-2018
<b>Total Issued 2018</b>	<b>5,000,000</b>	<b>5,000,000</b>					
<b>Total on issue 2018</b>	<b>58,100,000</b>	<b>57,500,000</b>					

**Table 7 - Summary of Unlisted Options on Issue for 2017**

2017	Number options granted	Number options vested	Fair value per option at grant date \$	Exercise Price \$	Amount Paid \$	Expiry Date	Date Issued
<b>Directors:</b>							
JD Calaway	16,000,000	16,000,000	0.1216	0.150	-	13-April-22	13-April-17
JD Calaway	12,000,000	12,000,000	0.1131	0.200	-	13-April-22	13-April-17
JD Calaway	12,000,000	12,000,000	0.1061	0.250	-	13-April-22	13-April-17
B Rowe	1,000,000	1,000,000	0.0153	0.047	-	30-Dec-17	18-Oct-13
R Reynolds <sup>(1)</sup>	1,000,000	1,000,000	0.0153	0.047	-	30-Dec-17	18-Oct-13
B Rowe	1,000,000	1,000,000	0.0153	0.070	-	30-Dec-17	17-Apr-14
R Reynolds <sup>(1)</sup>	1,000,000	1,000,000	0.0153	0.070	-	30-Dec-17	17-Apr-14
PJD Elliott	1,000,000	1,000,000	0.0153	0.070	-	30-Dec-17	17-Apr-14
A Davies	200,000	200,000	0.0628	0.200	-	23-May-22	23-May-17
A Davies	200,000	-	0.0875	0.200	-	23-May-22	23-May-17
A Davies	100,000	-	0.1049	0.200	-	23-May-22	23-May-17

## DIRECTORS REPORT

J Hofmeister	200,000	200,000	0.0628	0.200	-	23-May-22	23-May-17
J Hofmeister	200,000	-	0.0875	0.200	-	23-May-22	23-May-17
J Hofmeister	100,000	-	0.1049	0.200	-	23-May-22	23-May-17
<b>Key personnel:</b>							
J Morbey	500,000	500,000	0.0211	0.070	-	30-Dec-17	17-Apr-14
<b>Consultants:</b>							
I Nelson	200,000	200,000	0.0211	0.070	-	30-Dec-17	17-Apr-14
J Soldi	200,000	200,000	0.0211	0.070	-	30-Dec-17	17-Apr-14
C Paz	200,000	200,000	0.0211	0.070	-	30-Dec-17	17-Apr-14
R Boman	400,000	400,000	0.0211	0.070	-	30-Dec-17	17-Apr-14
Hartleys	5,000,000	5,000,000	0.0202	0.100	-	02-Sep-18	02-Sep-16
Hartleys	10,000,000	10,000,000	0.0104	0.200	-	02-Sep-18	02-Sep-16
Various corporate	2,500,000	2,500,000	0.0375	0.125	-	31-Jan-19	31-Jan-17
Various corporate	4,000,000	4,000,000	0.0328	0.150	-	31-Jan-19	31-Jan-17
Various corporate	2,500,000	2,500,000	0.029	0.175	-	31-Jan-19	31-Jan-17
Various corporate	3,500,000	3,500,000	0.0258	0.200	-	31-Jan-19	31-Jan-17
<b>Total on issue</b>							
<b>2017</b>	<b>75,000,000</b>	<b>74,400,000</b>					

(1) R Reynolds resigned as a director prior to 1 July 2016

There were 5,000,000 unlisted options granted to key consultants during the year ended 30th June 2018 (2017: 27,500,000). There were no new unlisted options issued to KMP during the year. (2017: 41,000,000). 21,900,000 unlisted options were exercised during the course of the year as set out below:

**Table 8 - Unlisted options exercised during the year ended 30 June 2018**

	Number options granted	Number options vested	Amount paid \$	Exercise Price \$	Date exercised	Expiry Date	Date Issued
<b>Directors:</b>							
B Rowe	1,000,000	1,000,000	47,000	0.047	21-Dec-17	30-Dec-17	13-Oct-13
B Rowe	1,000,000	1,000,000	70,000	0.070	21-Dec-17	30-Dec-17	17-Apr-14
P Elliott	1,000,000	1,000,000	70,000	0.070	19-Oct-17	30-Dec-17	17-Apr-14
R Reynolds <sup>(1)</sup>	1,000,000	1,000,000	70,000	0.070	19-Oct-17	30-Dec-17	17-Apr-14
R Reynolds <sup>(1)</sup>	1,000,000	1,000,000	47,000	0.047	19-Oct-17	30-Dec-17	13-Oct-13
<b>Key Personnel:</b>							
J Morbey	500,000	500,000	35,000	0.070	18-Dec-17	30-Dec-17	17-Apr-14
<b>Consultants:</b>							
Hartley	15,000,000	15,000,000	2,500,000	various	various	02-Sept-18	02-Sept-16
Catch Advisory	500,000	400,000	60,000	0.150	19-Jan-18	31-Jan-19	31-Jan-17
I Nelson	200,000	200,000	14,000	0.070	28-Nov-17	30-Dec-17	17-Apr-14
J Soldi	200,000	200,000	14,000	0.070	1-Dec-17	30-Dec-17	17-Apr-14
C Paz	200,000	200,000	14,000	0.070	21-Aug-17	30-Dec-17	17-Apr-14
R Boman	400,000	400,000	28,000	0.070	19-Dec-17	30-Dec-17	17-Apr-14
<b>Total exercised during 2018</b>		<b>21,900,000</b>	<b>\$2,969,000</b>				

(1) R Reynolds resigned as a director prior to 1 July 2016

**Table 9 – Summary of movements in unlisted options held by KMP's during the year ended 30 June 2018**

2018	Balance as at 1 July 2017	Granted	Vested	Exercised	Expired	Balance as at 30 June 2018
JD Calaway	40,000,000	-	-	-	-	40,000,000
B Rowe	2,000,000	-	-	2,000,000	-	-
A Davies	500,000	-	-	-	-	500,000
P Elliott	1,000,000	-	-	1,000,000	-	-
J Hofmeister	500,000	-	-	-	-	500,000
J Morbey	500,000	-	-	500,000	-	-
<b>Total unlisted options</b>	<b>44,500,000</b>	-	-	3,500,000	-	41,000,000

### Operation of Plan

- Full or part time employees or consultants of the Group are eligible to participate.
- Options issued pursuant to the plan will be issued free of charge.
- The exercise price of the options, at grant date, shall be as the directors in their absolute discretion determine, provided the exercise price shall not be less than the weighted average of the last sale price of the Company's shares on ASX at the close of business on each of the 5 business days immediately preceding the date on which the directors resolve to grant the options.
- The directors may limit the total number of options which may be exercised under the plan in any year.

Unless the directors in their absolute discretion determine otherwise, options may only be exercised at the following times in any given year:

- between 17 June and 30 June (inclusive);
- between 17 September and 30 September (inclusive);
- between 18 December and 31 December (inclusive); and
- between 18 March and 31 March (inclusive)

### Equity Incentive Plans – Performance Rights Plan

The Group has established the Global Geoscience Ltd Performance Rights ("the Rights Plan") to assist in the attraction, retention and motivation of the Company's directors, officers, employees and senior consultants. This Rights Plan was adopted by the Annual General Meeting of shareholders held on 25<sup>th</sup> November 2016.

The key features of the Performance Rights Plan are as follows:

- The Board will determine the number of Performance Rights to be granted to eligible employees (or their nominees) and the vesting conditions, expiry date of the Performance Rights in its sole discretion.
- The Performance Rights are not transferable unless the Board determines otherwise or the transfer is required by law and provided that the transfer complies with the Corporations Act.
- Subject to the Corporations Act and the Listing Rules and restrictions on reducing the rights of a holder of Performance Rights, the Board will have the power to amend the Performance Rights Plan as it sees fit.

- If a vesting condition of a Performance Right is not achieved by the milestone date then the Performance Right will lapse. Further terms and conditions of the Performance Rights are set out in the summary of the Performance Rights Plan in the Notice of Meeting issued 24<sup>th</sup> October 2016.
- The Performance Rights will be granted for nil consideration. Upon exercise of the Performance Rights, Shares will be issued on a one for one basis on the same terms as the Company's existing Shares.

At the General Meeting of shareholder held on 14<sup>th</sup> October 2016 the following Performance Rights were agreed to be issued in three classes with the vesting conditions, milestone dates and expiry dates as set out below:

Class	Vesting Condition	Expiry Date
<b>Class A Performance Rights</b> <sup>(1)</sup>	Upon the Company's Shares achieving a 10day VWAP of \$0.15.	At 5.00 pm on the date which is 5 business days after 27 <sup>th</sup> October 2018
<b>Class B Performance Rights</b> <sup>(2)</sup>	Upon the Company's Shares achieving a 10day VWAP of \$0.20.	At 5.00 pm on the date which is 5 business days after 27 <sup>th</sup> February 2019
<b>Class C Performance Rights</b> <sup>(3)</sup>	Upon the Company's Shares achieving a 10day VWAP of \$0.25.	At 5.00 pm on the date which is 5 business days after 27 <sup>th</sup> February 2019

<sup>(1)</sup> Class A Performance Rights vested on 24<sup>th</sup> April 2017.

<sup>(2)</sup> Class B Performance Rights vested on 8<sup>th</sup> September 2017.

<sup>(3)</sup> Class C Performance Rights vested on 9<sup>th</sup> January 2018.

No new performance rights were issued under these terms and conditions in 2018.

During the financial year a new set of performance rights were issued to key management personnel. The terms of these rights relate to employment. (2017: Nil).

**Table 10 -Summary of movements in Performance Rights on issue**

Performance Rights	Balance as at 1 July 2017	Vested	Issued	Cancelled	Balance as at 30 June 2018
<b>Directors:</b>					
P Elliott	3,000,000	(3,000,000)		-	-
B Rowe	12,000,000	(12,000,000)		-	-
<b>Key personnel and consultants:</b>					
J Morbey - employee	3,000,000	(3,000,000)		-	-
P Nicholson - consultant	3,000,000	(3,000,000)		-	-
T Erwin - consultant	3,000,000	(3,000,000)		-	-
S Bertolli - consultant	2,000,000	(2,000,000)		-	-
P Ehren - consultant	2,000,000	(2,000,000)		-	-
M Weaver - employee	-	-	1,459,576	-	1,459,276
<b>At 30 June 2018</b>	<b>28,000,000</b>	<b>(28,000,000)</b>	<b>1,459,276</b>	<b>-</b>	<b>1,459,276</b>

## **Indemnification and Insurance of Directors and Officers**

### **Indemnification**

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

### **Insurance Premiums**

During the financial period the Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

### **Environmental Performance**

The Group holds exploration licences issued by the relevant government authorities which specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with regulatory guidelines and standards. There have been no known breaches of the licence conditions.

### **Audit and Non-Audit Services**

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. There were no non-audit services provided during the financial year.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* forms part of this report and is set out on page 64.

Signed at Sydney this 28th day of September 2018 in accordance with a resolution of the Directors.



**BERNARD ROWE**  
*Managing Director*



STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 30 JUNE 2018

	Note	Consolidated 2018 \$	Consolidated 2017 \$ (* Restated)
<b>Continuing Operations</b>			
<b>OTHER INCOME</b>	2.1	<b>468,974</b>	109,718
Administration expenses		<b>250,719</b>	187,110
Consultancy and professional costs		<b>692,467</b>	547,236
Corporate overhead expenses		<b>1,070,714</b>	416,416
Depreciation and amortisation expense		<b>1,340</b>	1,385
Director fees	13	<b>424,728</b>	134,300
Employee benefits expense		<b>675,631</b>	350,866
Finance costs		-	10,000
Foreign exchange (gains) / losses		<b>(546,401)</b>	71,339
Exploration expenses written off		<b>118,908</b>	152,425
Share based payments expense *	2.2	<b>274,952</b>	5,684,398
Write off intercompany loans to subsidiary sold		-	25,840
<b>LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE</b>		<b>(2,494,084)</b>	(7,471,597)
Income tax expenses relating to ordinary activities	3	-	-
<b>LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO MEMBERS OF THE PARENT AFTER INCOME TAX EXPENSE</b>		<b>(2,494,084)</b>	(7,471,597)
Other comprehensive income to be reclassified to profit and loss in future periods (unrealised gain / (loss) on investments)		-	-
<b>TOTAL COMPREHENSIVE (LOSS) ATTRIBUTABLE TO MEMBERS OF GLOBAL GEOSCIENCE LIMITED</b>		<b>(2,494,084)</b>	(7,471,597)
Basic and diluted loss per share (cents per share)		<b>(\$0.003)</b>	(\$0.007)

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

\* Refer to Note 22 for details of the restatement.

STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2018

	Note	Consolidated 2018 \$	Consolidated 2017 \$ (* restated)
<b>CURRENT ASSETS</b>			
Cash assets	5	80,538,728	7,406,408
Receivables	6	107,217	37,561
<b>TOTAL CURRENT ASSETS</b>		<b>80,645,945</b>	<b>7,443,969</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	7	4,552	3,217
Deferred exploration and evaluation expenditure	8	14,915,286	5,032,866
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14,919,838</b>	<b>5,036,083</b>
<b>TOTAL ASSETS</b>		<b>95,565,783</b>	<b>12,480,052</b>
<b>CURRENT LIABILITIES</b>			
Payables	9	1,425,429	225,846
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,425,429</b>	<b>225,846</b>
<b>TOTAL LIABILITIES</b>		<b>1,425,429</b>	<b>225,846</b>
<b>NET ASSETS</b>		<b>94,140,354</b>	<b>12,254,206</b>
<b>EQUITY</b>			
Contributed Equity	10	112,450,852	29,858,398
Reserves	11	8,382,581	6,594,803
Accumulated losses		(26,693,079)	(24,198,995)
<b>TOTAL EQUITY</b>		<b>94,140,354</b>	<b>12,254,206</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

\* Refer to Note 22 for details of the restatement.

STATEMENT OF CASH FLOWS  
YEAR ENDED 30 JUNE 2018

	Note	<b>Consolidated 2018 \$</b>	Consolidated 2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payment to suppliers and employees		<b>(2,232,258)</b>	(1,868,272)
Other receipts		<b>70</b>	33,014
Interest received		<b>396,111</b>	53,746
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	20	<b>(1,836,077)</b>	(1,781,512)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Expenditure on mining exploration	8	<b>(7,033,881)</b>	(2,989,731)
Purchase of equipment		<b>(2,675)</b>	-
Proceeds from sale of subsidiary		-	20,000
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		<b>(7,036,556)</b>	(2,969,731)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the issue of shares	10	<b>83,427,918</b>	11,262,500
Proceeds from exercise of options	10	<b>2,969,000</b>	995,718
Equity raising expenses	10	<b>(4,391,965)</b>	(458,592)
NET CASH FLOWS FROM FINANCING ACTIVITIES		<b>82,004,953</b>	11,799,626
<b>Net increase (decrease) in cash held</b>		<b>73,132,320</b>	7,048,383
Add opening cash brought forward	5	<b>7,406,408</b>	358,025
<b>CLOSING CASH CARRIED FORWARD</b>	5	<b>80,538,728</b>	7,406,408

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 30 JUNE 2018

	Attributable to the shareholders of Global Geoscience Ltd			
	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
				(* restated)
<b>AT 1 JULY 2017 *</b>	<b>29,858,398</b>	<b>(24,198,995)</b>	<b>6,594,803</b>	<b>12,254,206</b>
<b>Loss for the period</b>	<b>-</b>	<b>(2,494,084)</b>	<b>-</b>	<b>(2,494,084)</b>
<b>Issue of share capital:</b>				
<b>Ordinary shares cash</b>	<b>83,427,919</b>	<b>-</b>	<b>-</b>	<b>83,427,919</b>
<b>Ordinary shares non-cash</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>	<b>2,000,000</b>
<b>Exercise of unlisted options</b>	<b>2,969,000</b>	<b>-</b>	<b>-</b>	<b>2,969,000</b>
<b>Share based payments</b>				
<b>Unlisted options issued</b>	<b>(1,412,500)</b>	<b>-</b>	<b>1,412,500</b>	<b>-</b>
<b>Performance rights issued</b>	<b>-</b>	<b>-</b>	<b>375,278</b>	<b>375,278</b>
<b>Less share issue costs</b>	<b>(4,391,965)</b>	<b>-</b>	<b>-</b>	<b>(4,391,965)</b>
<b>AT 30 JUNE 2018</b>	<b>112,450,852</b>	<b>(26,693,079)</b>	<b>8,382,581</b>	<b>94,140,354</b>

	Attributable to the shareholders of Global Geoscience Ltd			
	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
				(* restated)
<b>AT 1 JULY 2016</b>	<b>16,031,772</b>	<b>(16,727,398)</b>	<b>910,405</b>	<b>214,779</b>
<b>Loss for the period *</b>	<b>-</b>	<b>(7,471,597)</b>	<b>-</b>	<b>(7,471,597)</b>
<b>Issue of share capital:</b>				
<b>Ordinary shares cash</b>	<b>11,262,500</b>	<b>-</b>	<b>-</b>	<b>11,262,500</b>
<b>Ordinary shares non-cash</b>	<b>2,027,000</b>	<b>-</b>	<b>-</b>	<b>2,027,000</b>
<b>Exercise of listed options</b>	<b>782,718</b>	<b>-</b>	<b>-</b>	<b>782,718</b>
<b>Exercise of unlisted options</b>	<b>213,000</b>	<b>-</b>	<b>-</b>	<b>213,000</b>
<b>Share based payments</b>				
<b>Unlisted options issued</b>	<b>-</b>	<b>-</b>	<b>5,249,850</b>	<b>5,249,850</b>
<b>Performance rights issued *</b>	<b>-</b>	<b>-</b>	<b>434,548</b>	<b>434,548</b>
<b>Less share issue costs</b>	<b>(458,592)</b>	<b>-</b>	<b>-</b>	<b>(458,592)</b>
<b>AT 30 JUNE 2017</b>	<b>29,858,398</b>	<b>(24,198,995)</b>	<b>6,594,803</b>	<b>12,254,206</b>

\* refer to note 22 for details of the restatement

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### **Contents of the Notes to the Financial Statements**

1. Significant Accounting Policies
2. Other income / expenses
3. Income tax
4. Auditors remuneration
5. Cash assets
6. Receivables – Current
7. Plant and equipment
8. Deferred exploration and evaluation expenditure
9. Payables - Current
10. Contributed Equity
11. Reserves
12. Loss per share
13. Remuneration Benefits
14. Related Party Disclosures
15. Segmented Information
16. Employee Entitlements
17. Financial Instruments
18. Commitments
19. Events after Reporting Date
20. Statement of Cash flows
21. Financial Risk Management Objectives and Policies
22. Restatement of Prior Period
23. Information relating to the Parent Entity
24. Subsidiaries
25. Corporate Information

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### 1. Significant Accounting Policies

#### (a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial report has been prepared on a historical cost basis.

#### Going Concern

The financial statements have been prepared on the going concern basis which assumes the company and consolidated entity will have sufficient cash to pay its debts as and when they become payable for a period of at least 12 months from the date the financial report was authorised for issue.

#### New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated financial report are consistent with those followed in the preparation of the Group's annual consolidated financial report for the year ended 30 June 2017, except for the adoption of the mandatory new standards and interpretations effective as of 1 July 2017

The adoption of these amendments did not have any material impact on the financial position or performance of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Group has assessed the impact of AASB9 [Financial Instruments], AASB15 [Revenue Recognition] and AASB16 [Leases] and do not expect any material impact to the financial statements.

#### (b) Statement of compliance

The financial report has been prepared and 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 Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

#### (c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Global Geoscience Limited (GSC or the "Company") and its subsidiaries ("the Group") as at 30th June each year.

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

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from 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.

There has been no change in the control of any subsidiaries during the financial period. All subsidiaries are 100% owned by the Company. (2017: 100%)

### **(d) Plant and equipment**

Tangible plant and equipment assets are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows: plant and equipment – 4 years

*Impairment.*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An item of plant and equipment is derecognised upon disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

### **(e) Recoverable amount of assets**

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use.

### **(f) Exploration, evaluation, development and restoration costs**

#### **Exploration and evaluation**

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or

## NOTES TO AND FORMING PART OF THE ACCOUNTS

- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation assets in respect of the area of interest are tested for impairment and transferred to the cost of development. To date, no development decision has been made.

### **Exploration and evaluation – impairment**

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Statement of Comprehensive Income when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount.

### **(g) Receivables - current**

*Initial recognition and measurement.* All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

*Subsequent measurement.* After initial measurement, financial assets are subsequently measured at amortised cost, less impairment.

### **(h) Cash assets**

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above. There are no bank overdrafts.

### **(i) Payables and provisions - current**

*Initial recognition and measurement.* All financial liabilities are recognised initially at fair value net of directly attributable transaction costs.

*Subsequent measurement.* After initial measurement, financial liabilities are subsequently measured at amortised cost. Due to their short-term nature they are measured at amortised cost and are not discounted.

Payables and 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.



## NOTES TO AND FORMING PART OF THE ACCOUNTS

### **(j) Employee Entitlements**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

### **(k) Foreign Currency Transactions and Balances**

#### **Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

#### **Transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

### **(l) Share-based payments**

Employee equity incentive schemes have been established where selected key management personnel and consultants of the Group are issued with options over ordinary shares in Global Geoscience Ltd. The options, issued for nil consideration, are issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX. Options expire if not exercised 90 days after a participant resigns from the Company. The cost of these equity-settled transactions is determined by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Black and Scholes option pricing model. The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- a. the extent to which the vesting period has expired and
- b. the number of awards that, in the opinion of the Directors of the Company, will ultimately vest.

This opinion is formed based on the best available information at balance date. 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. Where an equity-settled

## NOTES TO AND FORMING PART OF THE ACCOUNTS

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.

A performance rights plan has been established whereby key management personnel and consultants of the Group are issued with performance rights that will become ordinary shares should certain vesting conditions be met. The performance rights will be granted for nil consideration. Upon exercise of the performance rights, shares will be issued on a one for one basis on the same terms as the Company's existing Shares.

If a vesting condition of a performance right is not achieved by the milestone date, then the Performance Right will lapse. The performance rights have been valued using the binomial method and the cost amortised over the period of the term of the issue.

### **(m) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

### **(n) Other income**

Interest income is recorded at the effective interest rate applicable to the financial instrument. Interest is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

### **(o) Income tax**

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 at the balance sheet date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided on all temporary differences at the balance sheet 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 where the deferred income tax liability 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; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

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 assets and unused tax losses can be utilised:

- except where 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; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the 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 balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

### **(p) Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where 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 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 balance sheet.

Cash flows are included in the Cash Flow Statement 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 authorities 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.

### **(q) Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements, in relation to the impairment of current assets and exploration assets, that are incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of

## NOTES TO AND FORMING PART OF THE ACCOUNTS

future events and are based on current trends and economic data, obtained both externally and within the Group.

### **(r) Impairment – general**

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed and are higher of value in use and future value less costs to sell.

### **(s) Exploration and evaluation expenditure**

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$14,915,286. (2017: \$5,032,866).

### **(t) Currency**

Both the functional and presentation currency is Australian dollars (A\$).

### **(u) Comparatives**

Where applicable, comparative figures have been adjusted to conform to any changes in presentation for the current financial year.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### 2. OTHER INCOME / EXPENSES

#### 2.1 Other Income

	<b>Consolidated 2018</b>	Consolidated 2017
	\$	\$
Interest received – other corporations	<b>468,904</b>	56,804
Profit on sale of subsidiary company	-	19,900
Exploration expenses recovered	-	33,014
Other receipts	<b>70</b>	-
	<b>468,974</b>	109,718

#### 2.2 Share based payments expense

In relation to expenses for:

- Directors	<b>147,296</b>	4,917,054
- Employees	<b>29,459</b>	40,291
- Consultants	<b>98,197</b>	727,053
	<b>274,952</b>	5,684,398

### 3. INCOME TAX

#### (a) Income tax expense

Current tax	-	-
Deferred tax	-	-
(Over) under provision in prior years	-	-
	-	-

#### Income tax expense is attributable to:

Profit from continuing operations	-	-
Aggregate income tax expense	-	-

#### (b) Numerical reconciliation of income tax expense to prima facie tax payable

Losses from continuing operations before income tax expense	<b>(2,494,084)</b>	(7,471,597)
Tax at the Australian tax rate of 27.5% (2017: 28.5%)	<b>(685,873)</b>	(2,129,405)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Expenditure not allowable for income tax purposes	<b>109,088</b>	1,656,703
Translation expenses	<b>(150,260)</b>	20,332
Income taxes not brought to account	<b>(727,045)</b>	(452,370)

## NOTES TO AND FORMING PART OF THE ACCOUNTS

	<b>Consolidated 2018</b>	Consolidated 2017
<b>(c) Current tax liabilities</b>	<b>\$</b>	<b>\$</b>
Balance at beginning of year	-	-
Income tax paid	-	-
Current year's income tax on profit	-	-
Under (over) provided in prior year	-	-
Balance at end of year	-	-

No provision for income tax is considered necessary in respect of the Company for the year ended 30th June 2018. No recognition has been given to any future income tax benefit which may arise from operating losses not claimed for tax purposes. The Group has estimated losses not claimed of \$12,425,768 (2017: loss \$9,781,967).

These amounts have not been brought to account in calculating any future tax benefit. A benefit of 27.5% (2017: 28.5%) of approximately \$3,417,086 (2017: \$2,787,861) will only be obtained if:

- the Company and Controlled Entities derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,
- the Company and Controlled Entities continue to comply with the conditions for deductibility imposed by the law, and
- no changes in tax legislation adversely affect the Company and Controlled Entities in realising the benefit from the deductions for the losses, i.e. current tax legislation permits carried forward tax losses to be carried forward indefinitely.
- No franking credits are available for subsequent years.

### Tax Consolidation

The Tax Consolidation scheme is applicable to the Company. As at the date of this report the directors have not assessed the financial effect, if any, the scheme may have on the Company and the consolidated entities, and accordingly the directors have not made a decision whether or not to be taxed as a single entity. The financial effect of the tax consolidation scheme on the Group has not been recognised in the financial statements.

## 4. AUDITORS' REMUNERATION

Total amounts receivable by the current auditors of the Company for:  
Audit of the Company's accounts

<b>37,080</b>	21,000
---------------	--------

## 5. CASH ASSETS

Bank operating account	<b>486,857</b>	509,470
Bank short term deposits	<b>80,051,871</b>	6,896,938
	<b>80,538,728</b>	7,406,408

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### 6. RECEIVABLES - CURRENT

	Consolidated 2018 \$	Consolidated 2017 \$
GST receivable	26,008	29,122
Prepaid insurance	1,400	1,423
Rental deposit	2,337	2,337
Interest receivable	75,851	3,058
Other receivables	1,621	1,621
	<b>107,217</b>	<b>37,561</b>

### 7. PLANT AND EQUIPMENT

Plant and equipment – at cost	64,469	61,794
Accumulated depreciation	(59,917)	(58,577)
	<b>4,552</b>	<b>3,217</b>

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year

Carrying amount at beginning	3,217	14,554
Additions	2,675	-
Disposals	-	(9,952)
Depreciation expense	(1,340)	(1,385)
	<b>4,552</b>	<b>3,217</b>

### 8. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Costs brought forward	5,032,866	195,560
Costs incurred during the period		
- Cash outgoings	6,914,973	2,837,306
- Issue of shares to purchase assets <sup>(1)</sup> refer Note 10	2,000,000	2,000,000
- Share based payment remuneration	100,328	-
- Accrued costs (net)	867,119	-
- Expenditure on non-core exploration	118,908	152,425
Expenditure written off during year	(118,908)	(152,425)
Costs carried forward	<b>14,915,286</b>	<b>5,032,866</b>
Exploration expenditure costs carried forward are made up of:		
Expenditure incurred to date	22,383,702	12,425,186
Provision for impairment on exploration assets	(7,468,416)	(7,392,320)
Costs carried forward	<b>14,915,286</b>	<b>5,032,866</b>

(1) These amounts relate to 11,031,440 shares issued to Boundary Peak Minerals for the purchase of the Rhyolite Ridge Lithium-Boron deposit. (2017: 50,000,000 shares). The number of shares issued was calculated by using the 30 trading day volume weighted average price for the Company's shares (15 days on either side of the relevant payment date) and on an exchange rate of A\$1:USD\$0.75.

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying

## NOTES TO AND FORMING PART OF THE ACCOUNTS

value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

The above costs reflect the amount expended to date on the Rhyolite Ridge Lithium – Boron project in Nevada.

All other tenements owned by the Company are fully impaired.

### 9. PAYABLES - CURRENT

	Consolidated 2018 \$	Consolidated 2017 \$
Trade creditors - corporate	166,445	44,216
Trade creditors – exploration	967,383	100,263
Accrued expenses - Directors fees	-	41,300
Accrued expenses - Auditors	22,660	10,000
Accrued expenses – Employee benefits	169,704	7,449
Accrued expenses - other	40,563	-
Provision for annual leave, to be taken within 12 months	58,674	22,618
	<b>1,425,429</b>	<b>225,846</b>

### 10. CONTRIBUTED EQUITY

#### Share capital

1,469,497,083 Ordinary shares	<b>112,450,852</b>	29,858,398
	<b>112,450,852</b>	29,858,398

\* refer to Note 22 for details of the restatement

Movements in ordinary share capital	Date	Number of shares	Issue price	\$
Balance 1 July 2016		909,068,761		16,031,772
Exercise of unlisted options	25-07-16	1,000,000	\$0.0470	47,000
Placement - ordinary shares	30-09-16	80,000,000	\$0.0750	6,000,000
Exercise of listed options	30-09-16	26,090,601	\$0.0300	782,718
Issue of shares to purchase assets	11-10-16	50,000,000	\$0.0400	2,000,000
Debt to equity conversion	20-01-17	214,285	\$0.0700	15,000
Exercise of unlisted options	13-03-17	1,000,000	\$0.0470	47,000
Exercise of unlisted options	13-03-17	1,000,000	\$0.0700	70,000
Debt to equity conversion	22-03-17	80,000	\$0.1500	12,000
Exercise of unlisted options	11-04-17	500,000	\$0.0700	35,000
Placement - ordinary shares	11-04-17	42,100,000	\$0.1250	5,262,500
Performance Rights vested	24-04-17	17,000,000	\$0.1500	-
Exercise of unlisted options	30-06-17	200,000	\$0.0700	14,000
Expenses of capital raising	various			(458,592)
Balance 30 June 2017		<b>1,128,253,647</b>		<b>29,858,398</b>



## NOTES TO AND FORMING PART OF THE ACCOUNTS

<b>Movements in ordinary share capital</b>	<b>Date</b>	<b>Number of shares</b>	<b>Issue price</b>	<b>\$</b>
Issue of shares to purchase assets	21-07-17	11,031,440	\$0.1813	2,000,000
Exercise of unlisted options	24-08-17	2,500,000	\$0.1000	250,000
Exercise of unlisted options	24-08-17	200,000	\$0.0700	14,000
Performance Rights Class B vested	09-08-17	14,000,000	-	-
Placement – ordinary shares	06-10-17	150,000,000	\$0.2000	30,000,000
Exercise of unlisted options	18-10-17	2,500,000	\$0.1000	250,000
Exercise of unlisted options	18-10-17	1,000,000	\$0.0700	70,000
Exercise of unlisted options	18-10-17	1,000,000	\$0.0470	47,000
Exercise of unlisted options	04-12-17	400,000	\$0.0700	28,000
Exercise of unlisted options	20-12-17	2,900,000	\$0.0700	203,000
Exercise of unlisted options	20-12-17	1,000,000	\$0.0470	47,000
Performance Rights Class C vested	09-01-18	14,000,000	-	-
Exercise of unlisted options	09-01-18	2,500,000	\$0.2000	500,000
Exercise of unlisted options	19-01-18	400,000	\$0.1500	60,000
Exercise of unlisted options	15-02-18	2,500,000	\$0.2000	500,000
Exercise of unlisted options	28-02-18	5,000,000	\$0.2000	1,000,000
Placement – ordinary shares	22-06-18	130,311,996	\$0.4100	53,427,918
Expenses of capital raising	various			(5,804,464)
<b>Balance 30 June 2018</b>		<b>1,469,497,083</b>		<b>112,450,852</b>

<b>Unlisted options</b>	<b>Date</b>	<b>Number of options</b>	<b>Exercise Price</b>	<b>Maturity</b>
Opening Balance – 1 July 2016	01-07-16	10,200,000		
Options converted to ordinary shares	25-07-16	(1,000,000)	(\$0.047)	
Options issued to corporate advisers	02-09-16	5,000,000	\$0.10	02-09-18
Options issued to corporate advisers	02-09-16	10,000,000	\$0.20	02-09-18
Options issued to corporate advisers	30-01-17	2,500,000	\$0.125	30-01-19
Options issued to corporate advisers	30-01-17	4,000,000	\$0.15	30-01-19
Options issued to corporate advisers	30-01-17	2,500,000	\$0.175	30-01-19
Options issued to corporate advisers	30-01-17	3,500,000	\$0.20	30-01-19
Options converted to ordinary shares	13-03-17	(1,000,000)	(\$0.047)	
Options converted to ordinary shares	13-03-17	(1,000,000)	(\$0.07)	
Options converted to ordinary shares	11-04-17	(500,000)	(\$0.07)	
Options issued to James Calaway	13-04-17	16,000,000	\$0.15	13-04-22
Options issued to James Calaway	13-04-17	12,000,000	\$0.20	13-04-22
Options issued to James Calaway	13-04-17	12,000,000	\$0.25	13-04-22
Options issued to A Davies / J Hofmeister	23-05-17	400,000	\$0.20	23-05-18
Options issued to A Davies / J Hofmeister	23-05-17	400,000	\$0.20	23-05-19
Options issued to A Davies / J Hofmeister	23-05-17	200,000	\$0.20	23-05-20
Options converted to ordinary shares	30-06-17	(200,000)	(\$0.07)	
<b>Balance as at 30 June 2017</b>		<b>75,000,000</b>		

## NOTES TO AND FORMING PART OF THE ACCOUNTS

<b>Unlisted options</b>	<b>Date</b>	<b>Number of options</b>	<b>Exercise Price</b>	<b>Maturity</b>
Options converted to ordinary shares	24-08-17	(2,500,000)	(\$0.10)	24-08-17
Options converted to ordinary shares	24-08-17	(200,000)	(\$0.07)	24-08-17
Options converted to ordinary shares	18-10-17	(2,500,000)	(\$0.10)	18-10-17
Options converted to ordinary shares	18-10-17	(1,000,000)	(\$0.07)	18-10-17
Options converted to ordinary shares	18-10-17	(1,000,000)	(\$0.047)	18-10-17
Options converted to ordinary shares	04-12-17	(400,000)	(\$0.07)	04-12-17
Options converted to ordinary shares	20-12-17	(2,900,000)	(\$0.07)	20-12-17
Options converted to ordinary shares	20-12-17	(1,000,000)	(\$0.047)	20-12-17
Options issued to corporate advisers	27-12-17	1,250,000	\$0.10	27-12-19
Options issued to corporate advisers	27-12-17	1,250,000	\$0.125	27-12-19
Options issued to corporate advisers	27-12-17	1,250,000	\$0.15	27-12-19
Options issued to corporate advisers	27-12-17	1,250,000	\$0.175	27-12-19
Options converted to ordinary shares	09-01-18	(2,500,000)	(\$0.20)	09-01-18
Options converted to ordinary shares	19-01-18	(400,000)	(\$0.15)	19-01-18
Options converted to ordinary shares	15-02-18	(2,500,000)	(\$0.20)	15-02-18
Options converted to ordinary shares	28-02-18	(5,000,000)	(\$0.20)	28-02-18

**Balance as at 30 June 2018**

**58,100,000**

<b>Performance Rights</b>	<b>Date</b>	<b>Number of performance rights</b>	<b>Vesting Price</b>	<b>Expiry date</b>
Issue of Performance Rights Class A	27-02-17	17,000,000	\$0.150	27-02-19
Issue of Performance Rights Class B	27-02-17	17,000,000	\$0.200	27-02-19
Issue of Performance Rights Class C	27-02-17	17,000,000	\$0.250	27-02-19
Class A Performance Rights Vested	24-04-17	(17,000,000)	(\$0.15)	
Performance Class B forfeited <sup>(1)</sup>	25-05-17	(3,000,000)	(\$0.20)	
Performance Class C forfeited <sup>(1)</sup>	25-05-17	(3,000,000)	(\$0.25)	

**Balance as at 30 June 2017**

**28,000,000**

<b>Performance Rights</b>	<b>Date</b>	<b>Number of performance rights</b>	<b>Vesting Price</b>	<b>Expiry date</b>
Class B Performance Rights Vested	08-09-17	(14,000,000)	(\$0.20)	-
Class C Performance Rights Vested	09-01-18	(14,000,000)	(\$0.25)	-

**Balance as at 30 June 2018**

**-**

<b>Performance Rights – Service</b>	<b>Vesting Date</b>	<b>Number of performance rights</b>
Issue of Performance Rights Class A (new) <sup>(2)</sup>	27-11-18	486,426
Issue of Performance Rights Class B (new) <sup>(2)</sup>	27-11-19	486,425
Issue of Performance Rights Class C (new) <sup>(2)</sup>	27-11-20	486,425

**Balance as at 30 June 2018**

**1,459,276**

(1) Performance Rights forfeited upon the resignation of Directors.

(2) New Performance Rights were issued to key management personnel and the vesting is conditional on employment.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### Terms and conditions of contributed equity

#### Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

#### Management Capital

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

<b>11. RESERVES</b>	<b>Consolidated 2018 \$</b>	Consolidated 2017* \$ Restated
Balance at the beginning of period	<b>6,594,803</b>	910,405
<b>Share-based payments expense</b>		
- amortisation of performance rights	<b>375,278</b>	434,548
- unlisted options issued	<b>1,412,500</b>	5,249,850
<b>Balance as at 30 June 2018</b>	<b>8,382,581</b>	6,594,803

\* refer to Note 22 for details of the restatement.

### 12. LOSS PER SHARE

Basic and diluted loss per share (cents per share)	<b>(\$0.003)</b>	(\$0.007)
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share is 1,215,899,633 (2017: 1,060,714,396)		
Loss used in calculating basic and diluted loss per share	<b>2,494,084</b>	7,471,597

\* refer to Note 22 for details of the restatement.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### 13. REMUNERATION BENEFITS

#### (a) Directors' remuneration

The following table outlines the nature and amount of the elements of the remuneration of specified Directors of the Company for the years ended 30th June 2017 and 2018

	Salary / Gratuity	Directors Fees	Consulting Fees	Superannuation Contributions	Performance Rights *	Options	Total
2018	\$	\$	\$	\$	\$	\$	\$
JD Calaway	-	226,269	-	-	-	-	226,269
B Rowe	427,500	-	-	27,075	117,837	-	572,412
P Elliott	-	66,153	-	-	29,459	-	95,612
A Davies	-	66,153	-	-	-	-	66,153
J Hofmeister	-	66,153	-	-	-	-	66,153
	427,500	424,728	-	27,075	147,296	-	1,026,599

Adjusted	Salary / Gratuity	Directors Fees	Consulting Fees	Superannuation Contributions	Performance Rights *	Value of Options	Total
2017*	\$	\$	\$	\$	\$	\$	\$
<i>Continuing</i>							
B Rowe	285,000	-	100,000	36,575	161,163	-	582,738
P Elliott	-	36,000	-	-	40,291	-	76,291
<i>Appointed</i>							
JD Calaway	-	20,300	-	-	-	4,576,000	4,596,300
A Davies	-	6,000	-	-	-	40,550	46,550
J Hofmeister	-	6,000	-	-	-	40,550	46,550
<i>Retired</i>							
G Chiappini	-	33,000	-	-	29,250	-	62,250
B Egerton- Warburton	-	33,000	-	-	29,250	-	62,250
	285,000	134,300	100,000	36,575	259,954	4,657,100	5,472,929

JD Calaway was appointed 5<sup>th</sup> April 2017.

A Davies and J Hofmeister were appointed 23<sup>rd</sup> May 2017.

G Chiappini and B Egerton-Warburton resigned 23<sup>rd</sup> May 2017.

\* refer to Note 22 for details of the restatement.

Directors' interests in shares, options and performance rights in the Company are set out in Note 14.

#### (b) Executive Officers' remuneration, shares, performance rights and options

	Salary / Gratuity	Consulting Fees	Employee Benefits	Performance Rights	Options	Total
2018	\$	\$	\$	\$	\$	\$
M Weaver	305,708	-	18,897	100,325	-	424,930
J Morbey	168,950	-	16,050	29,459	-	214,459
	474,658	-	34,947	129,784	-	639,389

## NOTES TO AND FORMING PART OF THE ACCOUNTS

Adjusted	Salary / Gratuity	Consulting Fees	Superannuation Contributions	Performance Rights *	Options	Total
2017*	\$	\$	\$	\$	\$	\$
J Morbey	8,904	107,250	846	40,291	-	157,291
	8,904	107,250	846	40,291	-	157,291

\* refer to Note 22 for details of the restatement

There were no loans made by the Group to key management personnel or their related parties.

Consulting services provided by director associated entities recognised as an expense during the year:

	Consolidated 2018 \$	Consolidated 2017 \$
<u>Consultants paid</u>		
B Rowe (Lydail Pty Limited)	-	100,000

The service agreement between the company and Lydail Pty Limited was terminated when Mr Rowe accepted a fulltime executive position with the Company.

Services provided by Director-related entities were under commercial terms and conditions. No other benefits have been received or are receivable by Directors, other than those already disclosed in the notes to the accounts.

## 14. RELATED PARTY DISCLOSURES

The Directors in office during the year and up until the date of this report were:

Year ended 30 June 2018: James D Calaway, Bernard Rowe, Patrick Elliott, Alan Davies, John Hofmeister.

Year ended 30 June 2017: James D Calaway, Bernard Rowe, Patrick Elliott, Alan Davies, John Hofmeister. *Resigned during the Year: Gabriel Chiappini and Barnaby Egerton-Warburton.*

### *Options and Rights Holdings*

Interests and movements in the shares, unlisted options and performance rights of the Company held by Directors and their Director-related entities as at year end:

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### Fully Paid Ordinary Shares

Directors	Balance 01.07.17	Additions / Purchases / Sales	Balance 30.06.18	Balance held Nominally Number
<b>2018</b>				
JD Calaway	31,600,000	-	31,600,000	31,600,000
P Elliott	15,446,722	4,000,000	19,446,722	9,830,055
B Rowe	49,194,866	12,281,052	61,475,918	60,417,584
A Davies	-	1,912,298	1,912,298	463,000
J Hofmeister	-	310,000	310,000	-
<b>At 30 June 2018</b>	<b>96,241,588</b>	<b>18,503,350</b>	<b>114,744,938</b>	<b>102,310,639</b>

Directors	Balance 01.07.16	Additions / Purchases / Sales	Balance 30.06.17	Balance held Nominally Number
<b>2017</b>				
JD Calaway	-	31,600,000	31,600,000	31,600,000
P Elliott	19,922,436	(4,475,714)	15,446,722	9,830,055
B Rowe	40,625,108	8,569,758	49,194,866	49,136,532
A Davies	-	-	-	-
J Hofmeister	-	-	-	-
<b>As at 30 June 2017</b>	<b>60,547,544</b>	<b>35,694,044</b>	<b>96,241,588</b>	<b>90,566,587</b>

*Directors - G Chiappini and B Edgerton-Warburton resigned on 23 May 2017*

### Options- listed and unlisted

Directors	Balance 01.07.17	Additions / Purchases / Sales	Balance 30.06.18	Balance held Nominally Number
<b>2018</b>				
JD Calaway	40,000,000	-	40,000,000	40,000,000
P Elliott	1,000,000	(1,000,000)	-	-
B Rowe	2,000,000	(2,000,000)	-	-
A Davies	500,000	-	500,000	-
J Hofmeister	500,000	-	500,000	-
<b>At 30 June 2018</b>	<b>44,000,000</b>	<b>(3,000,000)</b>	<b>41,000,000</b>	<b>40,000,000</b>

Directors	Balance 01.07.16	Additions / Purchases / Sales	Balance 30.06.17	Balance held Nominally Number
<b>2017</b>				
JD Calaway	-	40,000,000	40,000,000	40,000,000
P Elliott	6,316,198	(5,316,198)	1,000,000	-
B Rowe	4,569,755	(2,569,755)	2,000,000	1,000,000
A Davies	-	500,000	500,000	-
J Hofmeister	-	500,000	500,000	-
<b>At 30 June 2017</b>	<b>10,885,953</b>	<b>33,114,047</b>	<b>44,000,000</b>	<b>41,000,000</b>

*No options were issued to Directors during the year ended 30 June 2018*

### Performance Rights

Directors	Balance 01.07.17	Vested	Forfeited	Balance 30.06.18
<b>2018</b>				
P Elliott	3,000,000	(3,000,000)	-	-
B Rowe	12,000,000	(12,000,000)	-	-
<b>At 30 June 2018</b>	<b>15,000,000</b>	<b>(15,000,000)</b>	<b>-</b>	<b>-</b>

## NOTES TO AND FORMING PART OF THE ACCOUNTS

Directors	Issued during the year	Vested	Forfeited	Balance at the end of year
2017				
JD Calaway	-	-	-	-
P Elliott	4,500,000	(1,500,000)	-	3,000,000
B Rowe	18,000,000	(6,000,000)	-	12,000,000
G Chiappini (1)	4,500,000	(1,500,000)	(3,000,000)	-
B Egerton-Warburton (1)	4,500,000	(1,500,000)	(3,000,000)	-
At 30 June 2017	31,500,000	(10,500,000)	(6,000,000)	15,000,000

*G Chiappini and B Egerton-Warburton resigned on 23 May 2017, their remaining entitlements were forfeited.*

### Performance Rights: Granted and vested during the year

There were no Performance Rights issued to Directors during the year: (2017: 31,500,000)

### Remuneration options: Granted and vested during the year

There were no remuneration options granted during the year ended 30 June 2018. (2017:41,000,000)

The first tranche of remuneration options issued to A Davies and to J Hofmeister on 23<sup>rd</sup> May 2017 vested on 23<sup>rd</sup> May 2018 as set out below.

The following unlisted options were issued to Directors during the year ended 30 June 2017:

Directors	Options Issued	Exercise Price	Vesting Date	Expiry date	Balance at the end of year
JD Calaway	16,000,000	\$0.15	13-04-2017	13-04-2022	16,000,000
JD Calaway	12,000,000	\$0.20	13-04-2017	13-04-2022	12,000,000
JD Calaway	12,000,000	\$0.25	13-04-2017	13-04-2022	12,000,000
A Davies	200,000	\$0.20	23-05-2018	23-05-2022	200,000
A Davies	200,000	\$0.20	23-05-2019	23-05-2022	200,000
A Davies	100,000	\$0.20	23-05-2020	23-05-2022	100,000
J Hofmeister	200,000	\$0.20	23-05-2018	23-05-2022	200,000
J Hofmeister	200,000	\$0.20	23-05-2019	23-05-2022	200,000
J Hofmeister	100,000	\$0.20	23-05-2020	23-05-2022	100,000
<b>Total</b>	<b>41,000,000</b>				<b>41,000,000</b>

Shares, options and performance rights held by Directors included those held by the Directors and their Director-related entities, including the spouses of such Directors and relatives of such Directors. All shares and options, that have been granted were issued or granted on terms no more favourable than to other shareholders or option holders.

No other benefits have been received or are receivable by Directors, other than those already disclosed in the notes to the accounts.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### 15. SEGMENTED INFORMATION

The Company operates predominantly as a mineral exploration company.  
The Company has assets and liabilities in the following geographical areas:

	Consolidated 2018 \$	Consolidated 2017 * \$	Percentage 2018	Percentage 2017
--	----------------------------	------------------------------	--------------------	--------------------

#### Assets

North America	15,303,420	5,460,372	16.0%	43.8%
Australia	80,262,363	7,019,680	84.0%	56.2%
Total assets	95,565,783	12,480,052	100.0%	100.0%

#### Liabilities

North America	967,383	100,262	67.9%	44.4%
Australia	458,046	125,584	32.1%	55.6%
Total liabilities	1,425,429	225,846	100.0%	100.0%

Accounting losses are allocated through the following geographical areas:

North America	(431,716)	(235,103)	17.3%	3.1%
Australia	(2,062,368)	(7,236,494)	82.7%	96.9%
Net Loss for the financial period	(2,494,084)	(7,471,597)	100.0%	100.0%

Income has been earned in the following geographical areas:

North America	568	52,914	0.1%	48.2%
Australia	468,406	56,804	99.9%	51.8%
Total income earned	468,974	109,718	100.0%	100.0%

\* refer to Note 22 for details of the restatement.

### 16. EMPLOYEE ENTITLEMENTS

An employee share option plan has been established where key management personnel and consultants of the Group can be issued with options over ordinary shares in Global Geoscience Ltd. The options, issued for nil consideration, will be issued in accordance with the terms and conditions of the Employee and Consultant Share Option Plan adopted at the General Meeting of the Company held on 24 April 2010 and then reconfirmed at the 2016 Annual General Meeting on 25th November 2016. The options cannot be transferred and are not quoted on the ASX.

The unlisted options outstanding as at 30th June 2018 are outlined in Note 14.

A performance rights plan has been established whereby key management personnel and consultants of the Group are issued with performance rights that will become ordinary shares should certain vesting conditions be met. The performance rights will be granted for nil consideration. Upon exercise of the performance rights, shares will be issued on a one for one basis on the same terms as the Company's existing Shares. This performance rights plan was adopted by shareholders at the Annual General Meeting of shareholders on 25th November 2016



## NOTES TO AND FORMING PART OF THE ACCOUNTS

If a vesting condition of a Performance Right is not achieved by the milestone date, then the Performance Right will lapse. Further terms and conditions of the Performance Rights are set out in the summary of the Performance Rights Plan in the Notice of Meeting issued 24<sup>th</sup> October 2016.

The performance rights outstanding as at 30<sup>th</sup> June 2018 are outlined in Note 14.

## 17. FINANCIAL INSTRUMENTS

### Interest rate risk exposure

At balance date, the Company was exposed to a floating weighted average interest rate as follows:

	<b>Consolidated</b>	Consolidated
	<b>2018</b>	2017
	<b>\$</b>	\$
Weighted average rate of cash balances	<b>1.56%</b>	1.26%
Cash balances	<b>80,538,728</b>	7,406,408

Bank negotiable certificates of deposit are invested between 30 days to 180 days and other cash at bank balances are at call. All other financial assets and liabilities are non-interest bearing.

### *Net fair value of financial assets and liabilities, on balance sheet and credit risk*

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Company approximates their carrying value. Credit risk is minimal at balance date.

## 18. COMMITMENTS

### Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments and comply with the underlying option agreements, the Company will be required to incur exploration expenditure under the terms of each licence. It is the Company's exploration strategy to farm-out where appropriate to larger companies. It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Company from time to time.

### Settlement of Rhyolite Ridge

The Company entered into the option to purchase agreement with Boundary Peak Minerals LLC, dated 3<sup>rd</sup> June 2016. The Company has completed payments 1 through 4 owing to Boundary Peak under the agreement. The remaining payment, the 5<sup>th</sup> payment is due after the decision by the Board of the Company to commence the development of a mine on the Rhyolite Ridge property. The Company will pay Boundary Peak USD3 million [AUD4 million] once this decision by the Board of the Company is made. This will be settled through the issue of shares or payments in cash (or a mix of both). (Exchange rate used USD = \$0.75AUD). At the time of this report the decision to mine has not yet been made by the Company.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### Other property lease

The Company has entered a mining lease and option to purchase agreement with a neighbouring property to the Rhyolite Ridge Project. The term of the agreement is six years.

### Water Rights Agreement

The Company has secured water rights via an exclusive long-term lease over 1.2 giga litres of water per annum. The agreement with a private individual includes an exclusive option to purchase these water rights and associated land at any time and at the Company's sole election.

	<b>Consolidated 2018 \$</b>	<b>Consolidated 2017* \$</b>
Payable not later than one year	<b>264,384</b>	1,486,667
Payable later than one year but not later than two years	<b>271,233</b>	293,333
	<b>535,617</b>	1,780,000

## 19. EVENTS AFTER REPORTING DATE

The Company will be putting a resolution to the Annual General Meeting of shareholders, set down for 31<sup>st</sup> October 2018, for a name change. Subject to shareholder approval, the Company will change its name toioneer Ltd.

## 20. STATEMENT OF CASH FLOWS

### Reconciliation of net cash outflow from operating activities to operating loss after income tax

(a) Operating (loss) after income tax *	<b>(2,494,084)</b>	(7,471,597)
Depreciation	<b>1,340</b>	1,385
Exploration expenditure written off	<b>118,908</b>	152,425
Write off of subsidiary company	-	(10,048)
Share based payments	<b>274,952</b>	5,684,398
Expenses paid in shares	-	27,000
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in receivables	<b>(69,655)</b>	(21,413)
(Decrease)/increase in trade creditors	<b>332,462</b>	(143,662)
<b>Net cash outflow from operating activities</b>	<b>(1,836,077)</b>	(1,781,512)

\* refer to Note 22 for details of the restatement.

- (b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

	<b>Consolidated</b>	Consolidated
	<b>2018</b>	2017
The balance at 30 June comprised:	\$	\$
Bank operating account	<b>486,857</b>	509,470
Bank deposits	<b>80,051,871</b>	6,896,938
Cash on hand	<b>80,538,728</b>	7,406,408

## 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to finance the Company's operations. It is, and has been throughout the entire period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the risk management policies and reports to the Board.

The main risks arising from the Company's financial instruments are cash flow interest rate risk and currency risk. Other minor risks are summarised below.

### Cash flow interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of reasonable possible changes in the market interest rates arises in relation to the Company's bank balances.

The risk is managed through the use of variable rate term deposits. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

### Interest Rate Sensitivity

With all other variables held constant, the Company's profit after tax and equity are affected through the impact of floating and / or fluctuating interest rates on cash and receivables as follows:

	<b>Consolidated</b>	Consolidated
	<b>2018</b>	2017
<b>The balance at 30 June comprised:</b>	\$	\$
Cash and cash equivalents	<b>80,538,728</b>	7,406,408
Effect on profit and equity as a result of a 1% + / - sensitivity change in interest	<b>137,719</b>	10,265

A sensitivity of 1% has been selected as this is considered reasonable given the current level of both short-term and long-term Australian dollar interest rates. A 1% sensitivity would move short term interest rates at 30<sup>th</sup> June 2018 from around 0.171% to 0.140% representing a 3.1 point shift. With the still uncertain financial markets, the current low interest rates are expected to continue,

## NOTES TO AND FORMING PART OF THE ACCOUNTS

any change would likely to be only a small increase, and this level of sensitivity would seem to be reasonable.

Based on the sensitivity analysis only interest revenue from the variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

### **Commodity Price Risk**

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Company does not hedge its exposures.

### **Foreign Exchange Risk**

The Company is exposed to fluctuations in the Australian Dollar arising from loans and receivables in the parent company and its subsidiaries based in the United States of America. The Company operates bank accounts in US Dollars. Over 70% of the Company's cash reserves are held in US Dollars. The Directors are satisfied that the future operations of the company will be in the USA so it is prudent to avoid any unnecessary currency exposure. However, the Directors do not consider the foreign exchange risk is material.

### **Net Fair Values**

The carrying amounts of other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. No financial assets are readily traded on organised markets in standardised form. The Company has no financial assets where carrying amount exceeds net fair values at balance date. There are no financial liabilities.

The Company's receivables at balance date are detailed in Note 5 and comprise prepaid insurance, accrued interest and rental deposits.

There is no credit risk on financial risk on financial assets of the Company.

### **Capital Management**

Capital includes equity attributable to the equity holders of the Company.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support the development of the Company's assets.

The Company manages its capital structure and makes adjustments to it in light of economic conditions.

During the year the company undertook two capital raises through the issue of new shares. The Board believe that these capital raises secures the Company's financial position until the 'decision to mine' stage of the Rhyolite Ridge Lithium-Boron project.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### 22. RESTATEMENT OF PRIOR PERIODS

Share-based payments: The Company recognised a share-based payment expense of \$2,550,000 relating to 17,000,000 of 51,000,000 performance rights which were granted on 25 November 2016 and vested during the year ended 30 June 2017. The \$2,550,000 expense was measured with reference to the share price required to be achieved in order for vesting to occur multiplied by the number of rights that vested. No expense was previously recorded in respect of the remaining 34,000,000 rights.

During the current period it was identified that each tranche of the 51,000,000 performance rights issued in the prior period should have been fair valued at the date they were granted and expensed to the statement of profit and loss over their expected vesting periods. Accordingly, the Company utilized a binomial method to estimate the fair value of each tranche of performance rights as at the date they were granted and made estimates of their most likely vesting periods.

The difference has been adjusted through share-based payments expense (\$2,115,542) and the share-based payment reserve (\$434,548) as at and for the year ended 30 June 2017.

<b>Statement of financial position (extract)</b>	30 June 2017	(Decrease) / Increase	30 June 2017 (Restated)
	\$	\$	\$
Issued Shares	32,408,398	(2,550,000)	29,858,398
Reserves	6,160,255	434,548	6,594,803
Accumulated losses	(26,314,447)	2,115,452	(24,198,995)
Total equity	12,254,206		12,254,206

<b>Statement of profit or loss and other comprehensive income (extract)</b>	30 June 2017	(Decrease) / Increase	30 June 2017 (Restated)
	\$	\$	\$
Share based payments expense - consultants	-	174,594	174,594
Share based payments expense - directors	-	259,954	259,954
Share based payments expense- consultants	1,362,750	(975,000)	387,750
Share based payments expense - directors	6,232,100	(1,575,000)	4,657,100
Loss after tax	(9,587,049)	(2,115,452)	(7,471,597)
Total comprehensive loss for the year	(9,587,049)	(2,115,452)	(7,471,597)

Sale of subsidiary company: The Company has revised the comparative period presentation of a loss of \$6,142,154 incurred on forgiveness of an intercompany loan to a subsidiary that was sold in the year ending 30 June 2017.

The change in presentation resulted in the total loss decreasing from \$15,729,203 to \$7,471,597 for the 30 June 2017 (as adjusted for above) for the annual period. This has no effect on retained earnings.

Contributed Equity: The value of the contributed equity as at 30 June 2017 was adjusted due to the change in treatment of the performance rights.

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### 23. INFORMATION RELATING TO THE PARENT ENTITY

	2018 \$	2017 \$ (* restated)
<b>Current Assets</b>	<b>80,258,423</b>	7,014,845
<b>Non-current assets</b>	<b>2,321</b>	3,217
<b>Total Assets</b>	<b>80,260,744</b>	7,018,062
<b>Current liabilities</b>	<b>458,046</b>	125,584
<b>Non-current liabilities</b>	-	-
<b>Total Liabilities</b>	<b>458,046</b>	125,584
<b>Net Assets</b>	<b>79,802,698</b>	6,892,478
<b>Contributed Equity</b>	<b>112,450,852</b>	29,858,398
<b>Reserves</b>	<b>8,382,581</b>	6,594,803
<b>Accumulated losses</b>	<b>(41,030,735)</b>	(29,560,723)
<b>Total shareholders' equity</b>	<b>79,802,698</b>	6,892,478
<b>Loss for the parent entity</b>	<b>(11,470,012)</b>	(23,721,657)
<b>Total comprehensive income of the parent entity</b>	<b>(11,470,012)</b>	(23,721,657)

\* refer to Note 22 for details of the restatement

No guarantees have been entered into by the Company in relation to the debts of its subsidiaries.

Commitments of the Company as at reporting date are disclosed in note 18 to the financial statements.

### 24. SUBSIDIARIES

	Country of Incorporation	2018 % owned	2017 % owned
Paradigm Geoscience (North America) Pty Ltd	Australia	100%	100%
Paradigm Nevada Pty Ltd	Australia	100%	100%
PGPL Minerals USA Pty Limited	Canada	100%	100%
PGPL Minerals Middle America Pty Limited	Canada	100%	100%
PGPL Minerals South America Pty Limited	Canada	100%	100%
PGPL Diamonds Pty Limited	Canada	100%	100%
Paradigm Minerals USA Corporation	USA	100%	100%
Paradigm Diamonds Pty Limited	Canada	100%	100%
Paradigm Minerals Arizona Corporation	USA	100%	100%
Banlona Pty Ltd	Australia	100%	100%

## NOTES TO AND FORMING PART OF THE ACCOUNTS

### **25. CORPORATE INFORMATION**

The financial report of the Group for the year ended 30th June 2018 was authorised for issue in accordance with a resolution of the Directors on 28<sup>th</sup> September 2018.

Global Geoscience Limited is a company limited by shares and incorporated in Australia. Its shares are publicly traded on the Australian Securities Exchange under the ticker code "GSC".

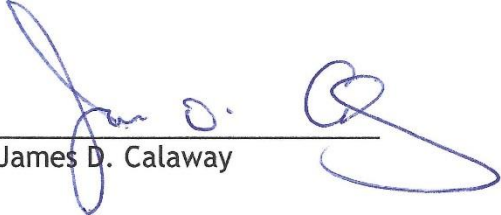
The registered office of the Company is Suite 203, 161 Walker Street, North Sydney, NSW 2060 Australia.

The Company is principally engaged in the development of the Rhyolite Ridge Lithium-Boron deposit in the state of Nevada, United States of America. Information on the Company's structure is provided in Note 24. Information on other related party disclosures of the Group is provided in Note 14.

In accordance with a resolution of the Directors of Global Geoscience Ltd, I state that:

- (1) In the opinion of the Directors:
  - (a) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30<sup>th</sup> June 2018 and of its performance for the year ended on that date; and
    - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
  - (b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.
- (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 year ended 30<sup>th</sup> June 2018.

On behalf of the Board



James D. Calaway

Chairman  
Sydney, 28 September 2018

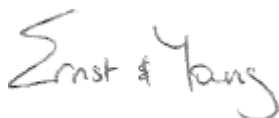


## **Auditor's Independence Declaration to the Directors of Global Geoscience Limited**

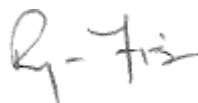
As lead auditor for the audit of Global Geoscience Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Global Geoscience Limited and the entities it controlled during the financial year.



Ernst & Young



Ryan Fisk  
Partner  
28 September 2018

## Independent Auditor's Report to the Members of Global Geoscience Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Global Geoscience Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, 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:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and
- b) 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 auditor independence requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

## Carrying value of capitalised exploration and evaluation expenditure

Why significant	How our audit addressed the key audit matter
<p>Capitalised exploration and evaluation assets are the Group's largest non-cash asset. The carrying value of exploration and evaluation assets is impacted by the Group's ability and intention, to continue to explore Rhyolite Ridge. The results of exploration work also determines to what extent the mineral reserves and resources may or may not be commercially viable for extraction and whether the amounts stated in the financial statements are recoverable. Due to the value of this asset relative to total assets and the subjectivity involved in determining its carrying value, this was a key audit matter.</p> <p>Refer to Note 8 Exploration and Evaluation Expenditure to the financial statements for the amounts held on the balance sheet by the Group as at 30 June 2018 and related disclosure.</p>	<p>Our procedures to address the Group's assessment of the carrying value of exploration and evaluation assets included:</p> <ul style="list-style-type: none"> <li>• consideration of the Company's right to explore in the relevant exploration area which included obtaining and assessing relevant documentation such as license agreements;</li> <li>• consideration of the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included assessment of the Group's cash-flow forecast models and discussions with senior management and Directors as to the intentions and strategy of the Group;</li> <li>• assessed the Group's consideration of the existence of any indicators of impairment; and</li> <li>• considered the adequacy of disclosures included within Note 8 of the financial report.</li> </ul>

## Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2018 Annual Report other than the financial report and our auditor's report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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 on the other information obtained prior to the date of this auditor's report, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Audit of the Remuneration Report

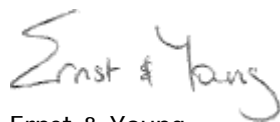
### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 30 of the directors' report for the year ended 30 June 2018.

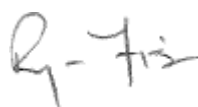
In our opinion, the Remuneration Report of Global Geoscience Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

### 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.



Ernst & Young



Ryan Fisk  
Partner  
Sydney  
28 September 2018

## CORPORATE GOVERNANCE AND SHAREHOLDER INFORMATION

The Board of Directors of Global Geoscience Limited (the Company) is strongly committed to good corporate governance practices and strives for high standards in this regard. The Board monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board draws on relevant best practice principles, particularly those issued by the ASX Corporate Governance Council, Corporate Governance Principles and Recommendations, 3<sup>rd</sup> Edition, copyright 2014.

A thorough review of the Company's Corporate Governance policies resulted in a complete set of new policies lodged with the ASX on 20 February 2018. These policies include:

- (i) Code of conduct;
- (ii) Disclosure policy;
- (iii) Diversity policy;
- (iv) Shareholder communications policy;
- (v) Trading policy;
- (vi) Audit and Risk Committee Charter; and
- (vii) Nomination and Remuneration Committee Charter.

All policies are available for review on the Company website (Reference: [www.globalgeo.com.au](http://www.globalgeo.com.au))

While the Company is attempting to adhere to the principles proposed by ASX, it is mindful that there may be some instances where compliance is not practicable for the Company's size. Please refer to the Appendix 4G that was lodged with the ASX at the time this 2018 Annual Report was lodged.

### Other shareholder information:

In accordance with *Corporations Act 2001* requirements, the Company discloses the fees or salaries paid to all Directors, plus the five highest paid officers. This can be found on page 25 of this Annual Report.

The Company currently operates two incentive plans:

1. Employee and Consultants Share Option Plan that was introduced in April 2010 and subsequently reconfirmed at the 2016 Annual General Meeting on 25<sup>th</sup> November 2016. The Company has made a number of issues under the Plan since that time. A summary of this Plan is made on page 28 of this Annual Report.

2. Global Geoscience Ltd Performance Rights Plan ("the Rights Plan") to assist in the attraction, retention and motivation of the Company's directors, officers, employees and senior consultants. This Rights Plan was adopted by the Annual General Meeting of shareholders held on 25<sup>th</sup> November 2016. A summary of this Plan is made on page 30 of this Annual Report.

### Ethical standards

The Board's policy is for the Directors and management to conduct themselves with the highest ethical standards.

## CORPORATE GOVERNANCE AND SHAREHOLDER INFORMATION

All Directors and employees will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

### Securities trading and trading windows

The Share Trading Policy can be found on the company's website.

Reference: [www.globalgeo.com.au](http://www.globalgeo.com.au)

Information relating to shareholders at 25 September 2018 (per ASX Listing Rule 4.10)

### **Substantial Shareholders**

*There are no substantial shareholders registered as at 25 September 2018*

### **Distribution of shareholders**

<b>Holdings Ranges</b>	<b>Holders</b>	<b>Total Units</b>	<b>%</b>
1-1,000	71	9,334	0.001
1,001-5,000	551	1,656,483	0.113
5,001-10,000	395	3,347,167	0.228
10,001-100,000	1,403	57,157,513	3.890
100,001 and over	570	1,407,326,586	95.769
<b>Totals</b>	<b>2,990</b>	<b>1,469,497,083</b>	<b>100.000</b>

At the prevailing market price of \$0.285 per share, there are 166 shareholders with less than a marketable parcel of \$500. An unmarketable parcel is one of 1,754 or fewer shares.

<b>Top 20 Shareholders of Ordinary shares as at 25 September 2018</b>	<b>Shares</b>	<b>% shares</b>
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	115,873,790	7.885%
J P MORGAN NOMINEES AUSTRALIA LIMITED	105,285,840	7.165%
CITICORP NOMINEES PTY LIMITED	104,240,520	7.094%
HOLDREY PTY LTD <DON MATHIESON FAMILY A/C>	65,700,000	4.471%
MOPTI PTY LIMITED <THE ROWE FAMILY A/C>	54,591,402	3.715%
RANSDALE INVESTMENTS PTY LTD <THE VIKING S/F A/C>	54,550,000	3.712%
LITHIUM INVESTORS AMERICAS LLC	31,600,000	2.150%
UBS NOMINEES PTY LTD	30,465,333	2.073%
MAHSOR HOLDINGS PTY LTD <ROSHAM FAMILY S/F NO2 A/C>	30,420,382	2.070%
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	28,831,437	1.962%
VISTA GROVE INVESTMENTS PTY LTD <VISTA GROVE S/F A/C>	28,730,745	1.955%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	25,566,138	1.740%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	25,310,497	1.722%
KEA HOLDINGS PTY LTD <IOS HOLDING A/C>	24,700,000	1.681%
DECK CHAIR HOLDINGS PTY LTD	24,625,000	1.676%
UBS NOMINEES PTY LTD	23,848,284	1.623%
KOLLEY PTY LTD <LUCAS FAMILY A/C>	23,365,000	1.590%
WHITE SWAN NOMINEES PTY LTD	22,181,617	1.509%
MR DARIEN CHARLES JAGGER <THE BALCONY INVESTMENT A/C>	20,225,000	1.376%
INVESTMENT HOLDINGS PTY LTD <INVESTMENT HOLDINGS UNIT A/C>	20,000,000	1.361%
Total Securities of Top 20 Holdings	860,110,985	58.531%
<b>Total of Securities</b>	<b>1,469,497,083</b>	



### Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

### Audit Committee

At the date of the Report of the Directors, the company has an Audit Committee consisting of the 3 Non-Executive directors of the Company. The Audit Committee meets with the Company's external auditors at least once during each half-year. These meetings will take place prior to the finalisation of the half-year financial statements and Annual Report and prior to the signing of the Audit Report.

### Remuneration Committee

At the date of the Report of the Directors, the company has a Remuneration Committee consisting of 3 members, being the 3 Non-Executive directors of the Company.

### Options on issue including holders of more than 20%

There are no listed options. No report on option holders is produced for the purposes of this Annual Report.