

ASX ANNOUNCEMENT

ASX: GSC

4 July 2016

Global
Geoscience

Global completes due diligence and proceeds with Nevada Lithium-Boron Project

Highlights

- **Global successfully completes exclusive due diligence investigation and proceeds with the agreement to acquire the Rhyolite Ridge Lithium-Boron project**
- **Due diligence confirms potential as a long life, low cost source of lithium and boron in the USA**
- **Aggressive exploration program underway focussing on Mineral Resource estimation and metallurgical test work leading to a decision to commence pre-feasibility study within 3 to 6 months**

Global Geoscience Limited (“Global” or the “Company”) is pleased to announce that it has completed its exclusive due diligence investigation on the Rhyolite Ridge Lithium-Boron project in Nevada and notified the owner that it is proceeding with the agreement announced on 3 June, 2016.

Global Managing Director, Bernard Rowe, commented, “Global is extremely excited to announce that it is proceeding with the agreement to acquire the advanced Rhyolite Ridge Lithium-Boron Project in Nevada. With over 100 existing drill holes at two known lithium-boron deposits, the project provides the Company with direct exposure to an advanced exploration project and presents the opportunity to commence a pre-feasibility study in the near term. In addition to the exploration work already completed, we are particularly excited by the opportunity to test the large area of high-grade surface mineralisation that has not been previously drill tested. We will be providing regular updates as we commence an aggressive exploration program and continue to assess the results of prior exploration.”

The owner commented, “Boundary Peak Minerals is delighted to be working with Global Geoscience to progress the Rhyolite Ridge Lithium-Boron Project. We firmly believe the project has the potential to provide a long life source of Lithium and Boron and are excited by Global’s commitment to rapidly advance exploration and processing studies at the project.”

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Highlights from the due diligence investigation:

- High quality Lithium-Boron asset located close to existing infrastructure in Nevada with significant potential to grow and rapidly advance.
- The project has potential as a long life, low cost source of lithium and boron in the USA. Currently there is only one commercially operating lithium mine and two commercially operating borate (boron) mines in the USA (USGS, 2016).
- Given the advanced nature of the project, a decision to commence pre-feasibility study is achievable within 3 to 6 months.
- Two sedimentary basins (north and south) host thick (20-60m), shallow (0-200m depth) zones of Lithium and Boron mineralisation. The host rocks are carbonate-rich, fine-grained sediments that were deposited in a shallow lake environment.
- The two basins have a combined surface area of approximately 17 sq km. Previous drilling has focussed on two areas covering a combined surface area of 3 sq km, meaning 14 sq km is largely untested by drilling.
- The upper mineralised unit at the south basin outcrops along the western margin of the basin. The area of outcrop extends over a strike length of at least 3km. Rock chip sampling results show this zone hosts high-grade mineralisation (1.0 to 1.6% LCE). The zone of outcrop has not been previously drill tested and represents a high-priority target for drilling.
- Rock chip samples collected from outcropping mineralisation in the south basin contain between 1500 and 3000 ppm Lithium (0.8 – 1.6% LCE) and average 4,945 ppm Boron and 10,442 pm Strontium (Global Geoscience, 14 June, 2016).
- Over 100 previous drill holes in two separate campaigns: US Borax in the north basin (1980's) and JOGMEC in the south basin (2010-11).
- There has been no known exploration conducted on the project area since 2011.
- Similar “clay-type” lithium deposits include Sonora Lithium-Potassium (Bacanora Minerals, Mexico) and Jadar Lithium-Boron (Rio Tinto, Serbia).



Managing Director, Bernard Rowe, on-site at the Rhyolite Ridge Lithium-Boron Project.

Future Work

The Company has commenced an aggressive exploration program aimed at advancing the project to a decision to commence a pre-feasibility study within three to six months. The program includes:

- RC and Core drilling (confirmation, infill and extension) leading to estimation of a Mineral Resource
- Preliminary metallurgical and process studies
- Surface rock chip sampling (outcrop and trench) over the zone of outcropping mineralisation

Terms

Global Geoscience has entered into an option to purchase agreement with Boundary Peak Minerals LLC, a private Nevada company. The key terms of the agreement are:

- Global will have an option to acquire 100% of the Rhyolite Ridge Project from the seller for the following consideration:
 - US\$300,000 cash and US\$1,500,000 in Global shares (subject to 6 months voluntary escrow) payable on completion of the due diligence period;
 - US\$200,000 cash and US\$1,500,000 in Global shares (subject to 6 months voluntary escrow) payable on exercise of the option on or before the first anniversary of the date of the agreement;
 - deferred consideration of:
 - US\$1,000,000 in cash or Global shares (at the election of the seller) payable on the second anniversary of the date of the agreement (unless Global terminates the agreement prior to this date and hands the project back to the Seller); and
 - US\$3,000,000 in cash or Global shares (at the election of the seller) payable on the announcement of a decision to develop a mine on the Rhyolite Ridge Project.
- All Global shares issued will be subject to Global shareholder approval. If Global is not able to issue the shares (including because it is unable to obtain shareholder approval to do so), Global will be required to pay the relevant amount to the seller in cash.
- The number of Global shares to be issued will be determined using the 30 trading day VWAP for Global shares (15 trading days on either side of the relevant payment date) and an exchange rate of A\$1:US\$0.75.
- Prior to exercise of the option, the Seller will lease the Rhyolite Ridge Project to Global for the purposes of Global carrying out exploration and prospecting work. During that period, Global must spend a minimum of US\$1M on exploration on the project.

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Managing Director

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References

U.S. Geological Survey, Mineral Commodity Summaries, January 2016

Global Geoscience Ltd, 2016. Company Report titled “Global to Acquire Advanced Nevada Lithium-Boron Project” dated 3 June, 2016.

Global Geoscience Ltd, 2016. Company Report titled “Global Announces Exploration Target at Nevada Lithium-Boron Project” dated 8 June, 2016

Global Geoscience Ltd, 2016. Company Report titled “Global Announces High-Grade Rock Chip Results from Nevada Lithium-Boron Project” dated 14 June, 2016

Competent Persons Statement

The information in this report that relates to Exploration Results and Exploration Targets 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’. 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 Exploration Results referred to in the report and cross-referenced to earlier Company reports listed under the heading “References”, the Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement.
