

ASX release
11 February 2014

Application for new tenements

The directors of Global Resources Corporation Limited (“Global” or “the Company”) are pleased to advise the Company has applied for two Exploration Licences comprising a large area of 1,284km² in the Pilbara Region of Western Australia. Recent exploration carried out in adjoining tenements has highlighted the region’s potential to emerge as a major potash province.

Highlights

- The two Exploration Licence applications form the Company’s Great Sandy Desert Project (“**Great Sandy Desert Project**” or “**the Project**”).
- The Project covers a large area of approximately 46km by 26km over the Waukarlycarly Embayment and has the potential to contain substantial volumes of sulphate of potash (“**SOP**”).
- Recent surface sampling carried out on tenements owned by another company immediately to the south of Global’s applications have confirmed the presence of potash bearing brines.
- The gently dipping northern extension of the prospective sedimentary horizon hosting the potash bearing brines is interpreted to continue into Global’s Great Sandy Desert Project.
- The Project is located in a very hot and dry environment making it well suited to low cost solar evaporation harvesting techniques.
- Extensive metallurgical test work and flowsheet design has been carried out by others and confirms that the brine chemistry in this region is potentially suitable to produce a high quality SOP product.
- The Project is situated in close proximity to sealed roads and other established infrastructure which service the Telfer Mine.

Sulphate of potash (SOP) – a specialty fertiliser for high value crops

Global’s recent business development activities have targeted SOP assets given the commodity’s geological scarcity and its attractive industry structure. SOP supply is highly concentrated with existing suppliers of primary production struggling to maintain current production levels. Accordingly, the Company expects that SOP resources in Western Australia will become increasingly strategic.

SOP is a premium form of potash fertiliser that improves the yield, taste, colour and shelf life of crops. SOP contains no chloride making its use essential for high value crops as well as areas affected by high salinity soils. The greatest projected demand growth for SOP is from China and India which are the largest producers of crops such as fruits, vegetables, nuts and tobacco.

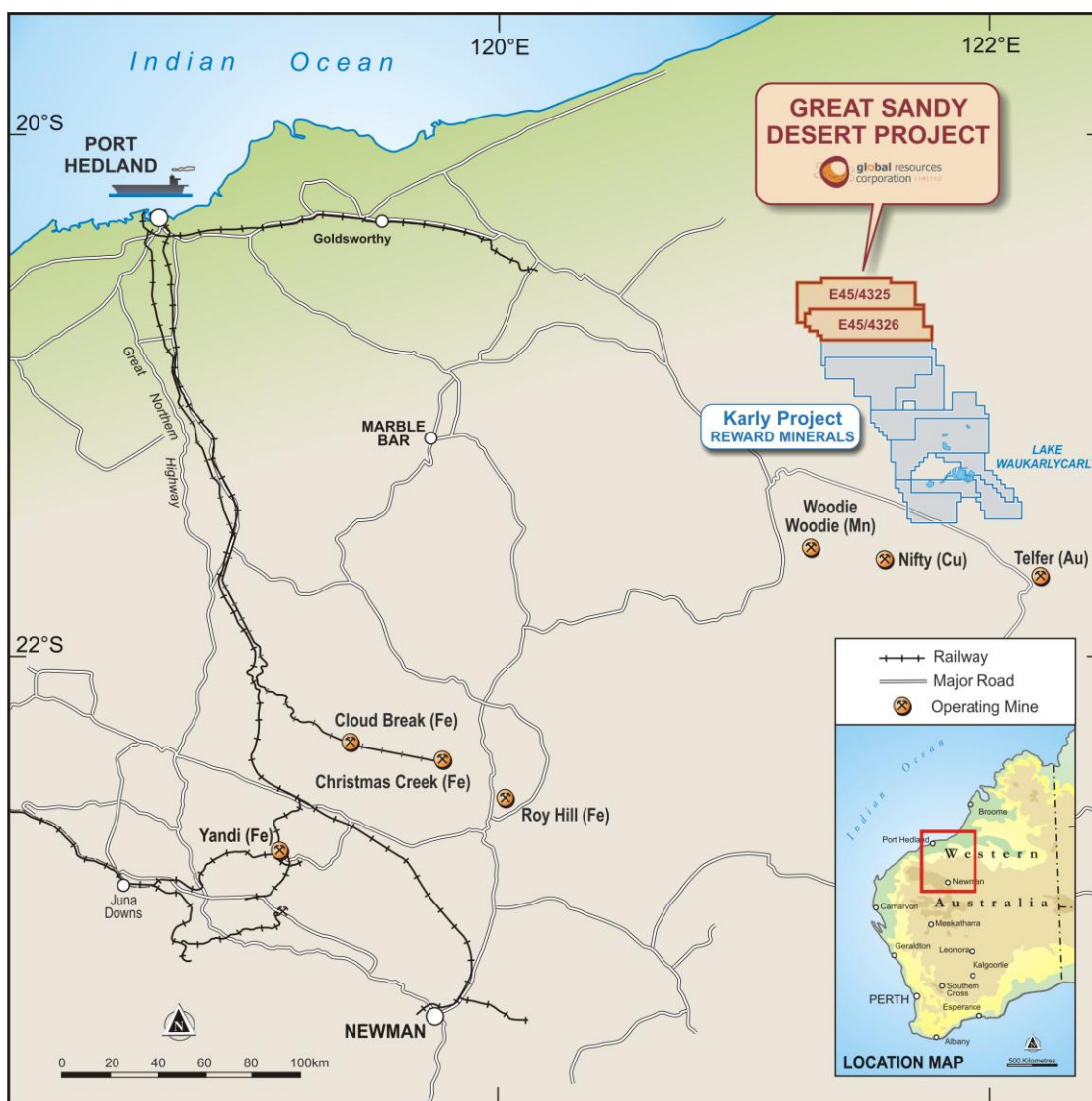
Overview of the Great Sandy Desert Project

The Project comprises two Exploration Licences applied for by Global. The Project is located in the Great Sandy Desert of Western Australia and is approximately 110km north-west of the Telfer Mine. It is situated in close proximity to sealed roads and other established infrastructure which service the Telfer Mine.

The Project covers 1,284km² of prospective ground over the Waukarlycarly Embayment. Geophysical data and recent surface sampling in the area have indicated that the Waukarlycarly Embayment could host substantial volumes of brine-hosted SOP.

Reward Minerals Limited (“Reward”) (ASX: RWD) has released an Exploration Target ranging from 384Mt to 960Mt of SOP for its several tenements covering the Waukarlycarly Embayment. Global’s Great Sandy Desert Project is immediately north of Reward’s tenements and is interpreted to contain the gently dipping northern extension of the prospective sedimentary horizon.

Figure 1. Location of the Great Sandy Desert Project

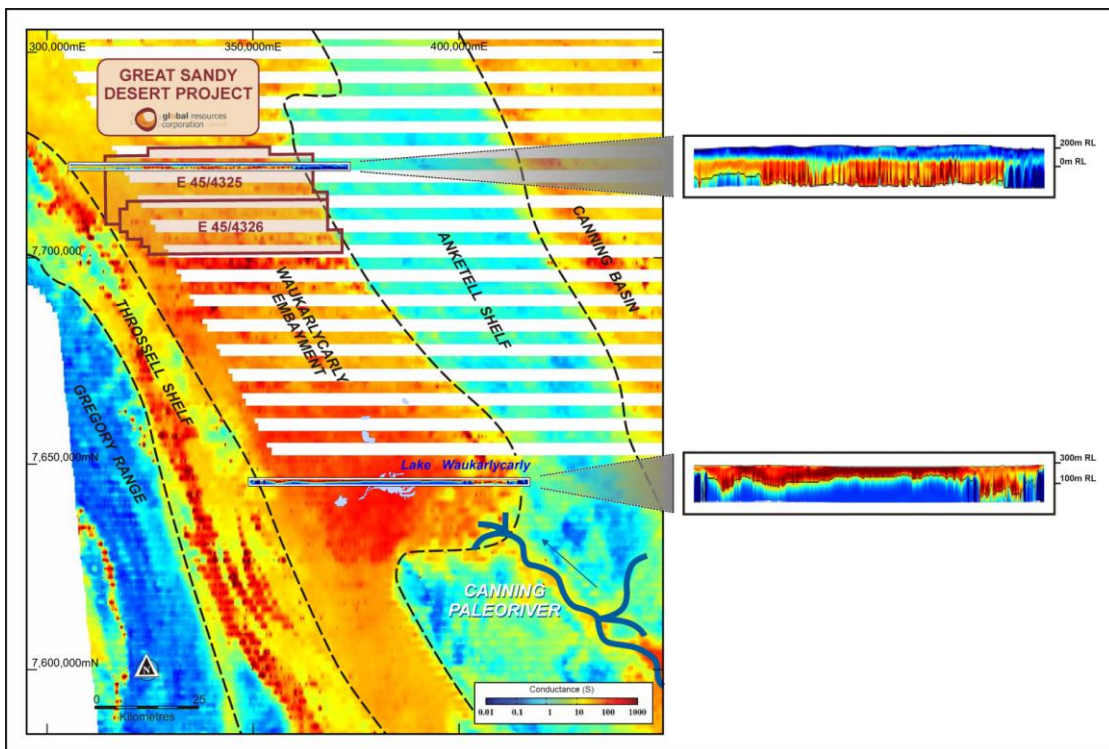


Historical and recent exploration

Geoscience Australia (“GA”) conducted an airborne electromagnetic (“AEM”) survey between September 2007 and October 2008 over the Paterson region of north-western Western Australia as part of the Australian Government’s Onshore Energy Security Program. The survey was flown by Fugro Airborne Surveys and included a total of 28,200 line km flown at various line spacings and covered approximately 47,600km². The survey cost \$2.7 million and was the first such regional AEM survey flown in Australia.

Interpretation of the AEM survey indicates that the Waukarlycarly Embayment may contain highly conductive brines within buried palaeovalleys. This has been supported by historical drilling by BHP and others in the vicinity of Lake Waukarlycarly which has demonstrated lake sediments to depths of over 100m in certain drill holes returning considerable flows of saline water during drilling.

Figure 2. AEM covering the Waukarlycarly Embayment



Source: Geoscience Australia 2010/12 Record Paterson Province AEM Survey

In December 2013, Reward advised that it took five samples of near surface brines from Lake Waukarlycarly which returned an average potassium grade of 4.5kg/m³ of brine. Sulphate and magnesium levels were variable but also appeared suitable for the production of SOP. Most significantly, this surface sampling program has demonstrated that high salinity brines are likely to correlate to the high conductivity readings from the AEM survey conducted by GA.

Based on the AEM survey data, Global’s Great Sandy Desert Project is interpreted to contain the gently dipping northern extension of the buried palaeovalleys within the Waukarlycarly Embayment. The high conductivity signature suggests brine could exist to depths of 100m to 300m across the Project area.

Geological setting and mineralisation

The Project covers a large area of the Waukarlyarly Embayment, a rift basin bounded east-west between the Anketell Shelf and Throssel Shelf, respectively. The embayment is filled with Canning Basin sediments, suspected to be as old as Ordovician (early to mid Paleozoic) in age at the deepest point (>3km).

Permian (late Paleozoic) fluvio-glacial and marine sediments of the Grant Group are regionally significant throughout the embayment, with the top of this unit existing at a depth of 500m to 600m. Within the Project area, it is interpreted that the Permian lacustrine to fluvio-glacial sediments of the Paterson Formation represents a large extent of the solid geology. Mesozoic sediments of the Callawa and Anketell Formations, predominantly sandstones, are thought to unconformably overlay within parts of the Project area.

Late stage Cenozoic sediments create cover over the entire Project, with the Quarternary dunes of the Great Sandy Desert at surface. It is proposed that below this surface cover significant buried lakes (palaeovalleys) may exist, with the lake sediments acting as an aquifer for highly saline water (brine) that has the potential to contain significant amounts of potassium.

Lake Waukarlyarly, located at the shallower southern end of the embayment, is a major regional depositional sink for palaeo and present day fluvial channels. It is thought that groundwater movement from a large discharge zone, which includes the Percival Lakes, Lake Auld, Lake Disappointment and Lake Dora areas, flows into Lake Waukarlyarly via the Canning palaeoriver. Many of these lakes that feed into the Canning palaeoriver are known to contain elevated levels of potassium, which could suggest a potential source for the mineralisation recently discovered at Lake Waukarlyarly and in the embayment area.

Potash bearing brine deposits generally occur in salt lakes and playas within large drainage basins. An arid environment is crucial to their development, as high rates of evaporation concentrate the brine over extended periods of time, ranging from hundreds to over a million years.

The water sources for potash bearing basins; including precipitation runoff, groundwater and hydrothermal springs, leach the chemical constituents of the brines from local country rocks. The most common source rocks for the constituents are acidic-intermediate volcanic rocks, pre-dated saline rocks and continental sedimentary rocks. The potassium source in these rocks are generally weathered minerals, such as biotite, microcline and orthoclase. Many potash bearing brines also have a correlation with magnesium, lithium and boron at elevated levels. The source of the potash mineralisation found in lakes of the Paterson Region is still unknown.

Basins with potash bearing brines commonly have a geological association with the presence of Cenozoic evaporites, with host sediments including halite, gypsum and lacustrine sediments. The presence of a salt lake may indicate surface or near-surface brines, however the brines may exist in a much larger underlying area that is determined by the extent of pre-existing buried lakes (palaeovalleys) and the porosity and permeability of the host sediments.

The sulphate of potash (SOP) market

Annual potash production is 64Mt globally, predominantly comprising of 55Mt of muriate of potash (MOP) and 6Mt of SOP.

MOP contains 46% chloride. The major potash deposits around the world – such as those in Canada, Russia and Belarus – produce MOP. This product is most appropriate for the commercial cultivation of the carbohydrate crops including wheat, oats, barley and palm oil.

SOP contains 17.5% sulphur and is free of chloride. It is a premium value product which is used principally for specialty crops such as vegetables, fruits, cocoa and tobacco. SOP is superior to MOP because it does not contain chloride, which has a toxic impact on many food plants, especially leafy plants.

Specialty crops generate ten times the revenue of carbohydrate crops. For this reason, many farmers focus on this higher value segment of the market, which is supportive for SOP demand. China represents the greatest SOP consumer globally and accounts for more than 40% of total demand. This demand is forecast to grow as living standards improve in China and its population begins to consume higher protein diets and better quality food.

SOP can be produced from primary and secondary sources, with each source supplying approximately 50% of the SOP market. Primary production comes from brines in China, US and Chile, and underground mines in Germany. Secondary production comes from the processing of MOP with sulphuric acid, known as the Mannheim Process.

Production of SOP from the Mannheim Process has a high production cost and is environmentally hazardous. This secondary source of supply provides the marginal cost of production which essentially sets a price floor for SOP. Brine operations in China, US and Chile sit firmly in the lowest quartile of the industry cash cost curve.

The latest quoted price for SOP by Compass Minerals (NYSE: CMP) is approximately US\$640/t (FOB North America). SOP sells at a circa 30% premium to standard potash or MOP. Since 2011 there has been a widening of the price differential between these two products. Global is aiming to benefit from this trend which is likely to continue, given that primary SOP supply is declining and it is far more geologically scarce than MOP.

New tenement applications

The Company's Exploration Licence applications which make up the Great Sandy Desert Project are as follows:

Table 1. Tenements in Western Australia

Tenement Reference	Project	Holder	Blocks	Status	Expiry	Native Title Determination
E45/4325	Great Sandy Desert	Global Resources Corporation Pty Ltd	200 BL	Application	N/A	Nyangumarta
E45/3026	Great Sandy Desert	Global Resources Corporation Pty Ltd	200 BL	Application	N/A	Nyangumarta & Martu

Existing projects

The Company will continue to maintain its interests in its existing portfolio of projects.

Kennedy Highway Project – Queensland, Australia

The Kennedy Highway Project is subject to a Farm-in Agreement with Sandfire Resources NL (“**Sandfire**”) (ASX: SFR). Sandfire is required to spend a minimum of \$3,000,000 in the first three years to earn 60% equity in the Project. To date Sandfire has spent more than \$1,000,000, including \$700,000 on drilling. The Company's current interest in the Kennedy Highway Project is 100%.

The Kennedy Highway Project is prospective for Broken Hill Type lead-zinc-silver deposits similar to BHP Billiton's high grade Cannington mine and Iron Oxide Copper Gold deposits similar to Glencore Xstrata's Ernest Henry Mine.

Croydon Project – Queensland, Australia

In 2012, the Company agreed to sell part of its interest in the Croydon Project, which is prospective principally for gold and silver. As part of this transaction, the Company retained a 6% interest in the Project, as well as a 1% net smelter royalty on all minerals produced from the Project.

Aktarma Project – Turkey

The Aktarma Project is located in Turkey, 50km north of Izmir City in the Bega geological province. The Project comprises a single Operational Licence with a ten year tenure expiring in August 2022.

During 2011 and 2012 the Company carried out two diamond drilling programs for a total of approximately 2,000m. The Company is currently assessing potential interest in the Project and exploring opportunities for the advancement of the Project, particularly in respect to the gold, silver, lead and zinc mineralisation identified during the last diamond drilling program.

For more information

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Or visit our website at www.grcl.com.au

Competent Person's Statements

The information in this ASX release that relates to Exploration Results is based on information compiled by Mr Laurie Mann, who is a fellow of AusIMM. Mr Mann is a consultant to Global Resources Corporation Limited and was the Registered Manager for Shark Bay Salt Joint Venture, a solar salt operation in Western Australia. Mr Mann has in excess of 5 years' experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Mann consents to the inclusion in this ASX release of the matters based on this information in the form and context in which it appears.