



Ground Floor  
Suite 3, 16 Ord St  
West Perth WA 6005

T: +618 9486 1779  
F: +618 9486 1718

PO Box 1811  
West Perth WA 6872

W: [www.globemetalsandmining.com.au](http://www.globemetalsandmining.com.au)  
E: [info@globemetalsandmining.com.au](mailto:info@globemetalsandmining.com.au)

ABN 33 114 400 609

ASX Code: GBE

30 July 2010

ASX/Media Announcement

## June Quarter 2010 Activities Report

Globe Metals & Mining is pleased to present its June Quarter 2010 Activities Report:

### Highlights

- **Kanyika Niobium Project:**
  - **Dispute with Thuthuka resolved: Globe reverts to 100% of Project**
  - **New 60Mt resource estimate: 5Mt Measured, 18Mt Indicated and 37Mt Inferred (previously 55Mt: 13Mt Indicated + 42Mt Inferred)**
  - **Grade targeted for mining in first ~7 years of operation ~4,700ppm Nb<sub>2</sub>O<sub>5</sub>, an increase of 24% from last forecast (May 2009)**
  - **Ferro-niobium (FeNb) price stable at US\$44-45/kg (Nb metal): Globe's financial forecasts use a price of US\$39/kg**
  - **Tantalum oxide price US\$220-230/kg, and rising: Globe's financial forecasts use a price of US\$143/kg**
- **Machinga Rare Earths Project:**
  - **RC drilling rig has mobilised to site to commence maiden ~1,500m drilling program**
  - **Heavy rare earth oxide (HREO) and niobium mineralisation trench results include:**
    - **MATR002: 33m @ 0.71% TREO & 0.40% Nb<sub>2</sub>O<sub>5</sub>**  
Inc. **11m @ 1.00% TREO & 0.46% Nb<sub>2</sub>O<sub>5</sub>**
    - **MATR001: 7m @ 1.26% TREO & 0.63% Nb<sub>2</sub>O<sub>5</sub>**
    - **MATR005: 10m @ 1.00% TREO & 0.50% Nb<sub>2</sub>O<sub>5</sub>**
  - **REE prices continue to rise on the back of new Chinese export quota restrictions**
  - **Prices for dysprosium oxide, the most economically important HREO at Machinga, have risen ~230% over the past 12 months to ~US\$222/kg**
- **Cash at bank: A\$2.9m (incl. receivables)**



For personal use only

# 1. Kanyika Niobium Project – Malawi

## 1.1. Settlement of Dispute with Thuthuka Group

During the June Quarter, Globe Metals & Mining and its joint venture partner Thuthuka Group agreed to the withdrawal of Thuthuka Group from the Project.

A term of the settlement is that Globe reverts to holding 100% of the equity in the Kanyika Niobium Project. No monetary consideration was paid by Globe under the terms of the settlement.

## 1.2. New Resource Estimate

The major focus of the 2009 drilling program at Kanyika was to significantly increase the tonnage of Measured and Indicated resources. An additional requirement was to gain a better understanding of the distribution of the high grade material that will likely be mined in the earliest years of operation.

The Company was highly successful on both accounts, with 23Mt of Measured + Indicated material being defined, which is 5Mt more than initially expected. Importantly, the increased drill density in many of the near surface areas of the resource allowed for definition of numerous high grade shoots, which will be targeted in the early years of mining.

Dr Julian Stephens, the Company's Technical Director commented, "The 77% increase in Measured and Indicated resource tonnage has far exceeded our expectations and targets for the 2009 drilling program. The Kanyika Niobium Deposit continues to demonstrate its very robust nature"

**Table 1: Mineral Resource Estimates for Kanyika (1,500 ppm Nb<sub>2</sub>O<sub>5</sub> lower cut).**

Category	Million Tonnes	Nb <sub>2</sub> O <sub>5</sub> ppm	Ta <sub>2</sub> O <sub>5</sub> ppm	U <sub>3</sub> O <sub>8</sub> ppm	ZrSiO <sub>4</sub> ppm
Measured	5	3,900	180	110	5,300
Indicated	18	3,100	140	80	4,800
Inferred	37	2,700	130	80	5,100
<b>Total</b>	<b>60</b>	<b>2,900</b>	<b>140</b>	<b>90</b>	<b>5,000</b>

**Table 2: Mineral Resource Estimates for Kanyika (3,000 ppm Nb<sub>2</sub>O<sub>5</sub> lower cut).**

Category	Million Tonnes	Nb <sub>2</sub> O <sub>5</sub> ppm	Ta <sub>2</sub> O <sub>5</sub> ppm	U <sub>3</sub> O <sub>8</sub> ppm	ZrSiO <sub>4</sub> ppm
Measured	3	5,400	250	160	6,600
Indicated	7	4,400	200	110	5,900
Inferred	11	3,600	160	90	5,600
<b>Total</b>	<b>21</b>	<b>4,100</b>	<b>180</b>	<b>110</b>	<b>5,800</b>

### Commentary

The resource area covers 2.3km of strike length, at its widest 300m width and has a maximum depth of 250m. A further ~1.5km of strike length of known, mineralised alkalic granitoid south of the resource area remains to be drilled out in future. In addition, high grade mineralisation at the extreme northern end of the deposit plunges to the north and remains open down dip and along strike (down plunge).

Mr Michael Job, of Quantitative Group, completed the resource estimate utilising Globe's internal 3D geological and mineralisation models

Important points to note on the new resource estimate:

1. **Increase in Measured and Indicated** – The total tonnage in Indicated and Measured categories has risen 77% to 23Mt. This is 5Mt more than the Company had targeted and again re-affirms the very robust and consistent nature of mineralisation at Kanyika.

2. **Increase in Total Contained Metal** – The total contained metal has risen to 174,000t for Nb<sub>2</sub>O<sub>5</sub>, an increase of ~5% from the last resource estimate. Contained tantalum, uranium and zirconium have also increased by a similar percentage.
3. **Increase in Grade of >3,000ppm Nb<sub>2</sub>O<sub>5</sub> Component** – The Nb<sub>2</sub>O<sub>5</sub> grade of the 21Mt portion of the resource (Measured + Indicated + Inferred) above a 3,000ppm cut off grade has now risen from 3,800ppm to 4,100ppm, an increase of ~8%. Importantly the total 10Mt of Measured and Indicated resources above a 3,000ppm cut off has a weighted average grade of 4,700ppm. This high-grade Measured and Indicated material is planned to be mined first and represents 7 years of potential mill feed.
4. **Definition of High-Grade Shoots** – The areas of the deposit defined as Measured and Indicated are characterised by distinct, high-grade shoots within broader mineralised zones. The increased drill density in these areas has allowed a better understanding of the geology and controls on the high-grade shoots. The high grade shoots were therefore able to be modelled separately, ultimately resulting in much better definition of high-grade material in these areas.
5. **Next Steps** – Coffey Mining will now undertake Whittle pit shell optimisation and preliminary mine design and scheduling based on the new resource model.

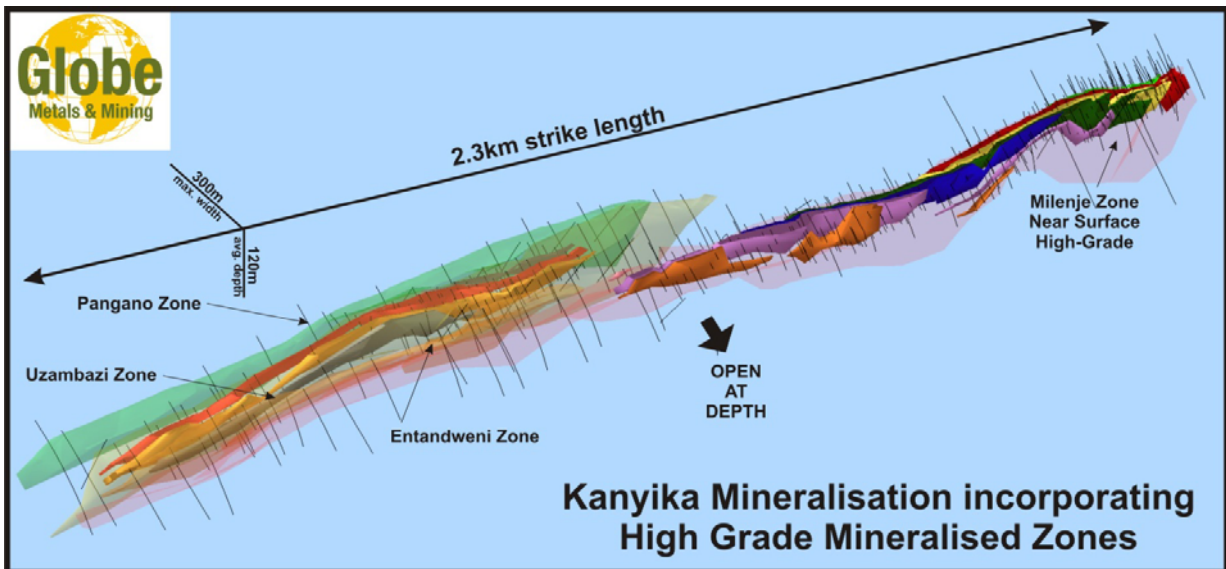


Figure 1: Depiction of the four discrete mineralised zones at Kanyika which strike towards 020° and dip between 40° and 80° to the west. The mineralised zones were defined using a nominal 2,000ppm Nb<sub>2</sub>O<sub>5</sub> equivalent cut-off, guided by the local geology.

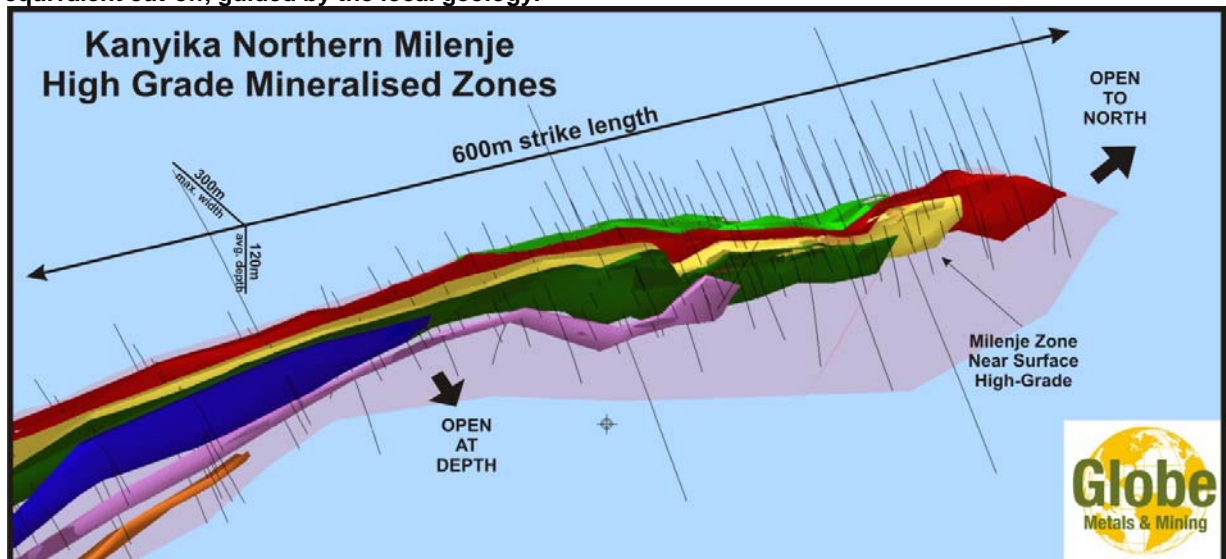


Figure 2. Depiction of continuous high grade shoot wireframes within the Milenje mineralised zone from 6,896,700mN to 6,897,300mN. A 4,250 ppm Nb<sub>2</sub>O<sub>5</sub> equivalent cut-off was used to define the domain boundaries.

### 1.3. Mining – Pit Design and Scheduling

Coffey Mining has begun the pit optimisation and scheduling work, which is expected to be completed by the end of August 2010.

### 1.4. Environmental Impact Study

Baseline sampling and monitoring, including land use and land capability, aquatic biodiversity, noise monitoring, dust monitoring and water sampling continued throughout the June Quarter.

The Environmental Impact Study is being managed by Synergistics Environmental Services, based in Johannesburg, South Africa.

### 1.5. Social Impact Study

An initial scoping study has been completed, and a Project Brief submitted to the Government of Malawi. Further community meetings are planned for the September Quarter.

### 1.6. Metallurgy

The Company is compiling all metallurgical work completed to date with a view to recommencing concentration optimisation and hydrometallurgical test-work in the September and December Quarters respectively.

### 1.7. Niobium Price and Market Update

#### Prices

The current spot price for Chinese “60-B” FeNb is 230,000-235,000 RMB/tonne, which equates to US\$44-45/kg Nb metal contained (*Asian Metal*, 19 July 2010; incl. 17% VAT; RMB:USD 6.84; 65% Nb metal contained/tonne).

60-B is the volume Chinese FeNb product produced from a relatively high purity niobium oxide prior to final alloying, and consequently has fewer impurities, and hence a higher price, than the standard grade Brazilian FeNb (alloyed directly from concentrates). By way of comparison, the current equivalent price for Brazilian FeNb is US\$40-41/kg.

Globe’s flow sheet will include the production of niobium oxide as an intermediate step in the production of FeNb, as the Kanyika Deposit is fortunately endowed with significant amounts of tantalum and uranium, which are important to separate to realise the full economic benefits from the Deposit.

Globe’s Executive Chairman, Mr. Mark Sumich, said “we had previously used the standard grade Brazilian FeNb price in our forecasts to be conservative, but we are now comfortable using this premium pricing for the Kanyika FeNb, based upon the product specifications in Globe’s key market, being China, and the progress we have made in developing our flow sheet. Ultimately, the steel mills would prefer a cleaner product, which is reflected in the differential pricing, and Kanyika will supply that beginning in 2013.”

The Company will be releasing an updated financial forecast as part of its presentation to the *Africa Down Under* Conference to be held in Perth from 1-3 September 2010.

#### Volumes and Growth

Global production of FeNb was estimated at 60,000 tonnes (Nb metal contained) prior to the financial crisis. Recent reports attributed to the leading producer, the privately-owned Brazilian company CBMM, are that volumes have recovered to 80% of pre-crisis levels, and that the market will be fully recovered by early 2011 (*Asian Metal*, April 2010; *Steel Business Briefing*, July 2010).

Growth forecasts for the FeNb market post-crisis are 15% p.a. globally (IAMGOLD, June 2009), and considerably higher for China, which is similar to the growth experienced from 2002-2008.

Based on these market size and growth figures, Globe's production from Kanyika of 3,000tpa (Nb metal contained) will represent 4-5 months of one year's growth in the FeNb market.

### Uses of Ferro-Niobium

Readers are referred to Globe's website ([globemetalsandmining.com.au/featured\\_items.php](http://globemetalsandmining.com.au/featured_items.php)) for an interesting summary titled *CBMM CEO Emphasises Advantages of Ferroniobium Usage*.

## 1.8. Tantalum Price and Market Update

### Prices

The current price for the tantalum oxide to be produced from the Kanyika Niobium Deposit is US\$220-230/kg (*Asian Metal*, 20 July 2010; 99.5% Ta<sub>2</sub>O<sub>5</sub>). This is substantially higher than the price used in Globe's existing financial forecast, US\$143/kg (US\$65/lb), and reflects the solid demand for tantalum post the financial crisis, the return to more normalised prices, as well as underlying supply constraints that remain unresolved. Recent reported prices for tantalum concentrate (min.30% Ta<sub>2</sub>O<sub>5</sub>) are in fact in excess of the previous oxide price of US\$65/lb (*Metal Bulletin*, 15 July 2010).

Tantalum is important to the Kanyika Niobium Project as it represents approximately 15-23% of revenues, in addition to FeNb (68-80%) and uranium (6-10%). Annual production from Kanyika will be approximately 192 tonnes Ta<sub>2</sub>O<sub>5</sub>, produced as a by-product of ferro-niobium (FeNb)/3,000tpa of niobium metal.

The Company will be releasing an updated financial forecast as part of its presentation to the *Africa Down Under* Conference to be held in Perth from 1-3 September 2010.

### US Financial Stability Act – Scrutiny of Congolese “Conflict Minerals”

The US Congress has recently passed the Financial Stability Act, and was signed into law on 21 July 2010. The “conflict minerals” provisions have major implications for the tantalum industry, and are likely to further constrain the already tight supply of raw material throughout the entire supply chain. Appendix A to this release contains relevant extracts from the Act.

The new law will require American companies to submit an annual report to the Securities & Exchange Commission (SEC) disclosing whether their products contain tantalum, tin, tungsten or gold sourced from the Democratic Republic of Congo (DRC) or adjoining countries, and if so, their supply chain audit processes and products that are not sourced from conflict free parts of the DRC or adjoining countries.

Given the heightened NGO/consumer interest in this issue, the onerous supply chain auditing obligations on reporting entities, the ever-changing areas of actual conflict in the Eastern DRC and the complex interaction of multiple deposits and intermediary trading entities, it is likely that the safest and easiest solution for the major consumer electronics brands such as Apple, Intel, Sony, Nokia and Research in Motion will be to not source tantalum from the DRC or adjoining countries.

The DRC has in recent years supplied ~15% of the world's tantalum, and accordingly, the Act has major implications for tantalum supply and prices. This is in the context of another ~40% of the world's raw material production either closing or being placed on semi-permanent care and maintenance during the global financial crisis.

Additional points of interest:

- The “**adjoining countries**” are those that actually adjoin the DRC, being Uganda, Rwanda, Burundi, Kenya, Tanzania, Zambia, Angola, Republic of Congo (Brazzaville), Sudan and the Central African Republic.

**Malawi** is not an adjoining country, and is therefore outside of the scope of the Act. Moreover, it has never been a source of tantalum and has been conflict free since even prior to

independence in 1964, and currently holds periodic EU-approved multi-party democratic elections. Globe will position Kanyika and Malawi as a reliable, volume, ethical supplier of quality tantalum products.

- The **intent** of the Act is to prevent “**conflict minerals**” sourced from the DRC from entering the global supply chain: the 1998-2009 wars in the Eastern DRC were to some extent financed by the easily-mined, rich artisanal deposits of coltan (tantalum/niobium), cassiterite (tin), wolframite (tungsten) and gold in that part of the country. The Act is designed to break that nexus.
- The principal **mechanism** whereby the Act’s objectives are achieved is to impose a strict regime of **traceability** throughout the entire supply chain. In relation to raw materials, this includes being able to identify precisely the mine of origin and ensuring that receipts from each source are consistent with the deposit’s capacity to produce. This process has been driven by the Electronics Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI), which represent the interests of leading Western OEMs. It will result in something akin to what already exists in the tin industry (itri.org.uk). “*Traceability in the supply chain has gone from a nice to have, to a must have.*” (Lauren Compere, MD, Boston Common Asset Management, *Reuters*, 15 July 2010).
- The **scope** of the Act extends not only to entities subject to SEC regulations (US listed companies, and foreign companies trading under ADRs), but to any American business if “conflict minerals are necessary to the functionality or production of a product manufactured by such person.” “*The law is going to affect virtually the entire U.S. manufacturing sector.*” (Rick Goss, VP Environment, Information Technology Industry Council, *The Washington Post*, 21 July 2010).
- The Act is effectively **extra-territorial**, given the prevalence of American consumer brands. The leading Chinese tantalum processor, Ningxia, for example, which largely on-supplies to Western customers, has now disavowed DRC-sourced raw material (*Metal Bulletin*, 15 July 2010). European firms have over the last few years gradually come to the same outcome on a voluntary/too hard basis, with major traders such as Traxys and Thaisarco exiting that part of Africa. The leading European (H.C. Starck) and American (Cabot) processors also do not knowingly accept DRC-sourced material.
- The **principal NGOs** driving the “conflict minerals” issue are Global Witness (globalwitness.org) and Enough Project (enoughproject.org).
- Given that the Act will effectively embargo all tantalum from the DRC and adjoining countries from use in the Western/global supply chain, it will have an **indiscriminate and detrimental effect** on a number of **small and artisanal mining operations** that are entirely legitimate, and bear no connection whatsoever with the Rwandan-Kivu wars that scar the Eastern DRC. The onus of proof is too great for these miners and too troublesome for the end-users.

“*The consequence is a market-driven one. Consumers can make their choices. Do they want their electronic products to be funding gang rape in central Africa? I don’t think most Americans would want that.*” (Rory Anderson, World Vision, *The Washington Post*, 21 July 2010).

## Tantalum Industry

- **Applications** - tantalum’s single largest use is in the production of electronic components, being capacitors and resistors. This accounts for 60-70% of all tantalum consumption.

Other applications are those that rely upon tantalum’s high melting point and ductility, such as alloys for metalworking equipment, jet engine components and military and nuclear reactors. Its inert qualities also make it suitable for a range of surgical and medical implant products.

- **Market Size** – prior to the financial crisis, annual global consumption of tantalum was estimated at 5.8 million pounds (Dennis Zogbi, *Paumanok Publications Inc.*, December 2008):

- **Primary production** – ~two thirds of total production, with the single largest supplier being the now closed Wodgina mine (owned by Talison Tantalum), closely followed by Africa (principally DRC-Rwanda, Ethiopia, Mozambique and Nigeria).
- **Secondary sources** – recycling/scrap, inventories, tin slags and the US Defence Logistics Agency strategic supply.
- **Supply Chain** – the conceptual chain from tantalum mine to customer is quite long: miner, processor, refiner, primary component manufacturer, tier three capacitor supplier, tier two original design manufacturer/component assembler, electronics retailer.
- **Post Financial Crisis**
  - **Demand** – during the crisis demand dropped by ~40%, but is recovering well, and is expected to return to pre-crisis levels by 2011-2012 (*Metals Place*, 12 March 2010; [roskill.co.uk/tantalum](http://roskill.co.uk/tantalum)).
  - **Supply** – Talison Tantalum has yet to give an indication whether it intends to re-open the Wodgina mine. With the additional closures of the Marrapino mine in Mozambique and Bernic Lake in Canada during the financial crisis, the industry has largely survived since on inventory draw downs (almost exhausted), recycled scrap, tin slags (limited volumes) and the now exhausted US government strategic supply. The “supply crunch” forecast by Roskill and others in late 2009 has now arrived (see Globe’s ASX release of 19 Oct. 2009).

***Globe is well positioned to become a reliable, volume and ethical supplier of quality tantalum products, with the commencement of production from the Kanyika Niobium Project in 2013.***

**Emerging Tantalum Projects**

	<b>Globe Metals &amp; Mining</b>	<b>Commerce Resources</b>	<b>Crevier/MDN-Mines</b>	<b>Gippsland</b>
<b>Listing</b>	(ASX: GBE)	(TSX-V: CCE)	(TSX-V: MDN)	(ASX: GIP)
<b>Deposit</b>	Kanyika, Malawi	Blue River, BC	Anita, Quebec	Abu Dabbab, Egypt <sup>3</sup>
<b>Size</b>	21Mt <sup>1</sup>	23.9Mt	39.8Mt <sup>3</sup>	44.5Mt
<b>Ta<sub>2</sub>O<sub>5</sub> Grade</b>	180ppm	~215ppm	~240ppm	250ppm
<b>Nb<sub>2</sub>O<sub>5</sub> Grade</b>	4,100ppm <sup>2</sup>	~1,210ppm	~1,850ppm	n/a*
<b>Resource/Reserve Status</b>	Measured, Indicated & Inf.	Indicated & Inferred	Measured, Indicated & Inf.	Measured, Indicated & Inf.**
<b>Tantalum Production</b>	By-Product	Primary	Co-Production	Primary

1. Represents the majority of the higher grade, near surface resource. Total resource is 60Mt @ 2,900ppm Nb<sub>2</sub>O<sub>5</sub>, 140ppm Ta<sub>2</sub>O<sub>5</sub>, 90ppm U<sub>3</sub>O<sub>8</sub> and 5,000ppm ZrSiO<sub>4</sub>

2. **Globe’s production for the first 7 year’s of production will be ~4,700ppm Nb<sub>2</sub>O<sub>5</sub> and ~210ppm Ta<sub>2</sub>O<sub>5</sub>**

3. Does not include the Nuweibi resource, indicated and inferred: 98Mt @ 143ppm Ta<sub>2</sub>O<sub>5</sub> and 90ppm Nb<sub>2</sub>O<sub>5</sub>

\* Plus 900ppm Sn

\*\* Proven and probable reserves are 30.2Mt @ 255ppm Ta<sub>2</sub>O<sub>5</sub> and 1,090ppm Sn

A critical feature of the Kanyika Niobium Project is that the principal product, FeNb, enjoys one of the most stable pricing regimes for any commodity, whereas tantalum prices have over the last ten years been extremely volatile, to the point of detrimentally impacting that industry. In summary, this is the ideal niobium/tantalum relationship (primary/by-product), as overall Project cash flows are likely to be relatively stable. It should also be borne in mind that at or around current prices, the Wodgina mine is likely to restart production.

## 2. Machinga Rare Earths Project – Malawi

### 2.1. Trenching Program

#### Summary

During the Quarter the Company reported the initial trenching program results at the Machinga North target, from the Machinga Rare Earth Project in southern Malawi.

Globe's Executive Chairman, Mr. Mark Sumich, said "Machinga is becoming increasingly exciting. The latest batch of trench results are of similar overall grade as the earlier trenches, and again contain significant grades of the more valuable heavy rare earths."

"What is potentially most relevant though about these latest results is that the strike length of the Machinga North target has expanded to 2.7km. And Machinga North is just one of seven targets within the EPL, so we have enormous potential to confirm a significant economic REE deposit."

"Our investors and followers would of course be aware of the increasing global interest in, and demand for REEs, especially in light of the recent and ongoing Chinese restrictions on the export of its domestic REE products. Malawi is just one of a few countries with known economic REE deposits, so we are confident we are in the right location."

#### Initial Results

The Company's initial trenching program is now complete with results for all seven trenches now received. The trenches were planned to test REE-Nb-Ta-Zr targets identified by previous mapping, radiometric surveys, rock-chip and soil sampling programs.

The first five trenches, MATR001-005, were designed to test the Machinga North Anomaly, where previously the highest grade rock-chip samples were encountered. These areas are dominated by pegmatite-hosted REE-Nb-Ta-Zr mineralisation. Trenches MATR006-007 were designed to test the anomalous margin of the Malosa Pluton and intersected broad, but lower tenor rare earth mineralisation hosted in the alkaline granitoid pluton, with subordinate pegmatite dykes.

Results from trenches number MATR001-005 show significant grades of heavy rare earth elements and high grades of niobium over a 5 to 33m intercept widths at the Machinga Main Prospect.

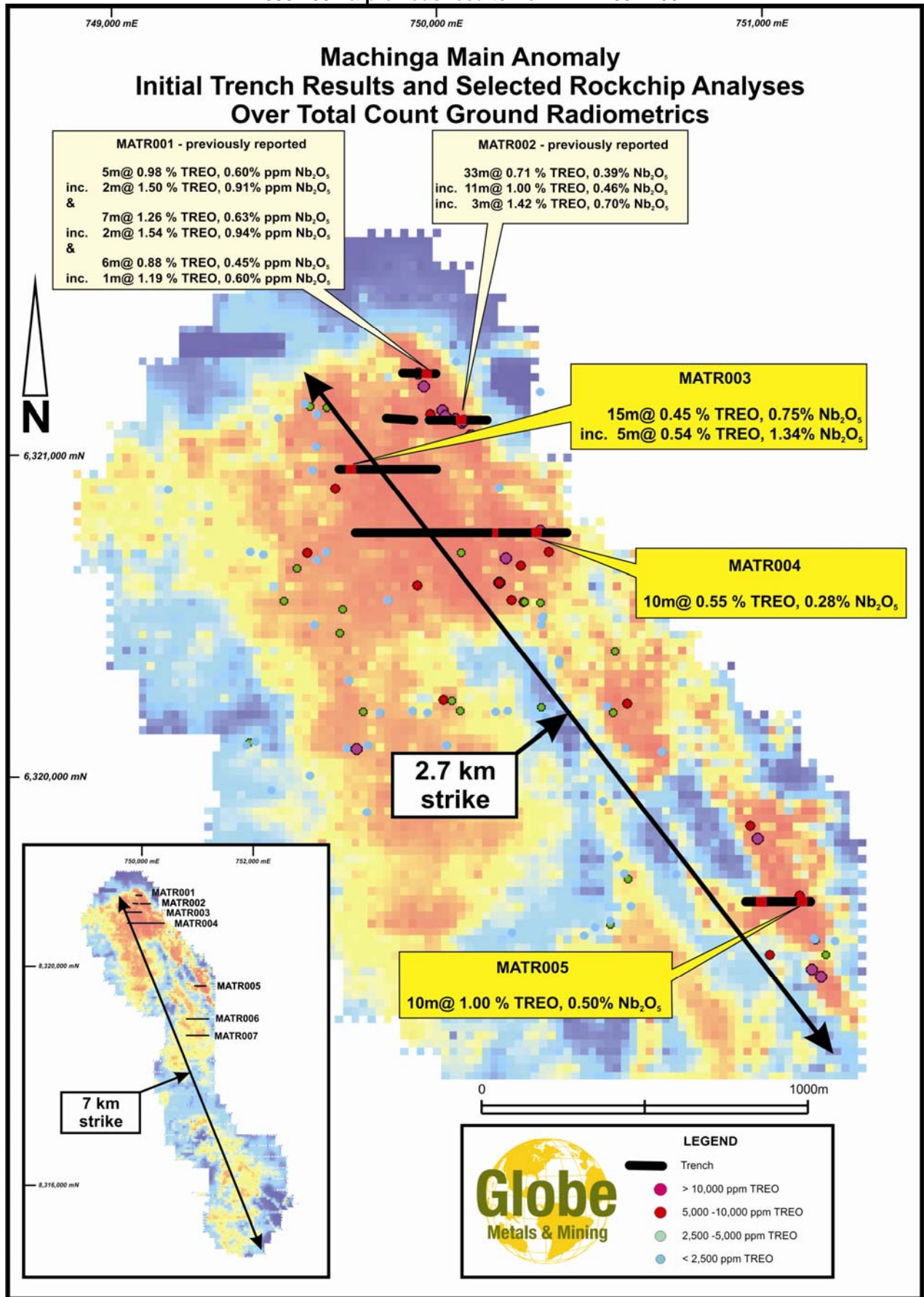
Numerous other new zones of HREO mineralisation were also intersected in trenches MATR003 – 005.

In addition, significant widths of lower grade material were encountered in trenches MATR006 and MATR007 excavated over the Machinga Central target.

It is currently unknown whether there is any surficial enrichment or depletion of REE-Nb-Ta-Zr in the trenches at these shallow depths.



Figure 3: Northern Machinga Main Anomaly showing new trench results from MATR003 - 007 & previous results from MATR001 - 002



For personal use only

**Table 1: Significant REO-Nb-Ta-Zr results from Trenches MATR001 - 007**

Trench ID	From (m)	To (m)	Width (m)*	TREO (ppm)	HREO (ppm)	Dy <sub>2</sub> O <sub>3</sub> (ppm)	Tm <sub>2</sub> O <sub>3</sub> (ppm)	Yb <sub>2</sub> O <sub>3</sub> (ppm)	Nb <sub>2</sub> O <sub>5</sub> (ppm)	Ta <sub>2</sub> O <sub>5</sub> (ppm)	ZrO <sub>2</sub> (ppm)
MATR001	48	53	5	9,797	3,216	331	39	237	6,042	217	13,029
Incl.	48	50	2	15,038	5,090	521	64	388	9,124	441	18,511
MATR001	61	68	7	12,630	4,645	491	58	345	6,310	354	18,103
Incl.	61	63	2	15,417	5,784	577	81	496	9,351	538	25,029
MATR001	81	87	6	8,845	3,412	333	45	271	4,456	250	16,782
Incl.	81	82	1	11,911	4,763	449	68	415	5,972	347	26,804
MATR002	204	237	33	7,130	2,646	245	34	225	3,980	197	21,923
Incl.	226	237	11	10,008	4,376	388	56	368	4,622	239	31,458
Incl.	234	237	3	14,220	5,395	525	67	422	6,972	392	31,417
MATR003	70	85	15	4,541	1,245	118	14	87	7,479	367	11,093
Incl.	72	82	10	5,427	1,477	141	17	107	9,627	482	13,864
Incl.	72	77	5	5,632	1,235	117	14	89	13,365	559	13,796
MATR004	488	492	4	7,591	1,924	227	25	149	4,466	238	14,384
	587	597	10	5,529	1,753	201	22	130	2,811	146	12,058
MATR005	51	55	4	4,865	1,616	152	19	114	3,365	211	19,029
	68	72	4	10,580	2,202	234	29	170	3,563	179	16,246
	76	82	6	10,270	1,880	210	19	104	2,920	142	8,907
	219	229	10	10,030	3,420	360	46	270	5,055	241	19,993
	244	248	4	6,777	1,885	211	29	169	6,804	344	17,452
MATR006	279	299	20	3,984	1,035	109	16	98	3,341	209	16,521
MATR007	66	138	72	3,578	542	51	7	45	1,421	78	7,028
Incl.	90	98	8	5,225	548	52	7	47	1,399	78	8,081
	232	240	8	3,302	813	75	9	58	2,164	113	6,161
	344	364	20	4,282	1,151	108	14	94	1,718	95	9,939

\*Estimated true widths are 60-70% of intercept widths. Dysprosium, thulium and ytterbium are heavy rare earth elements and therefore included also in the TREO and HREO totals in the above table, whilst HREO are also included in the TREO total.

TREO = Total Rare Earth Oxides (La through Lu + Y); HREO = more valuable Heavy Rare Earth Oxides (Eu through Lu +Y). The reader is cautioned that these are trench results all from approximately 2m depth. The "From" and "To" columns indicate lateral distances at surface, not depths.

## 2.2. Upcoming Drilling Program

All access roads and drill pads are now complete and ready for the upcoming ~1,500m RC drill program in August. The drilling rig has mobilised from nearby Tete Province in Mozambique, and is expected to be on site early next week, after clearing Malawian Customs.

The program will target HREO mineralisation in up to 4 different mineralised pegmatite zones at Machinga North, in addition to testing the Malosa Pluton contact at Machinga Central. It is expected that drill results will be available and reported to the market in September to October 2010.

## 2.3. Chinese REE Export Quotas

Recent reports from China advise that it will continue its policy of reducing export quotas of rare earths. The recently announced quota for the second half of 2010 has been reduced by a further 40% from the previous quota.

Given that China currently supplies approximately 95% of the world's rare earth requirements, this ongoing restriction will have important and long term implications for the supply and pricing of rare earths, as well as the critical downstream products and applications they are used for in the advanced technology, military, consumer electronic and environmentally-friendly sectors.

#### 2.4. Southern Malawi – An Important REE Province

Readers are referred to recent media commentary, arising from the abovementioned reduction in Chinese rare earths export quotas, that identifies only five countries with almost all of the known rare earth resources. These area **China, Australia, North America, Greenland and Malawi**. (Sources: *Bloomberg, Money Morning*, reproduced in the *Australian Financial Review*, 14 July 2010, p. 25)

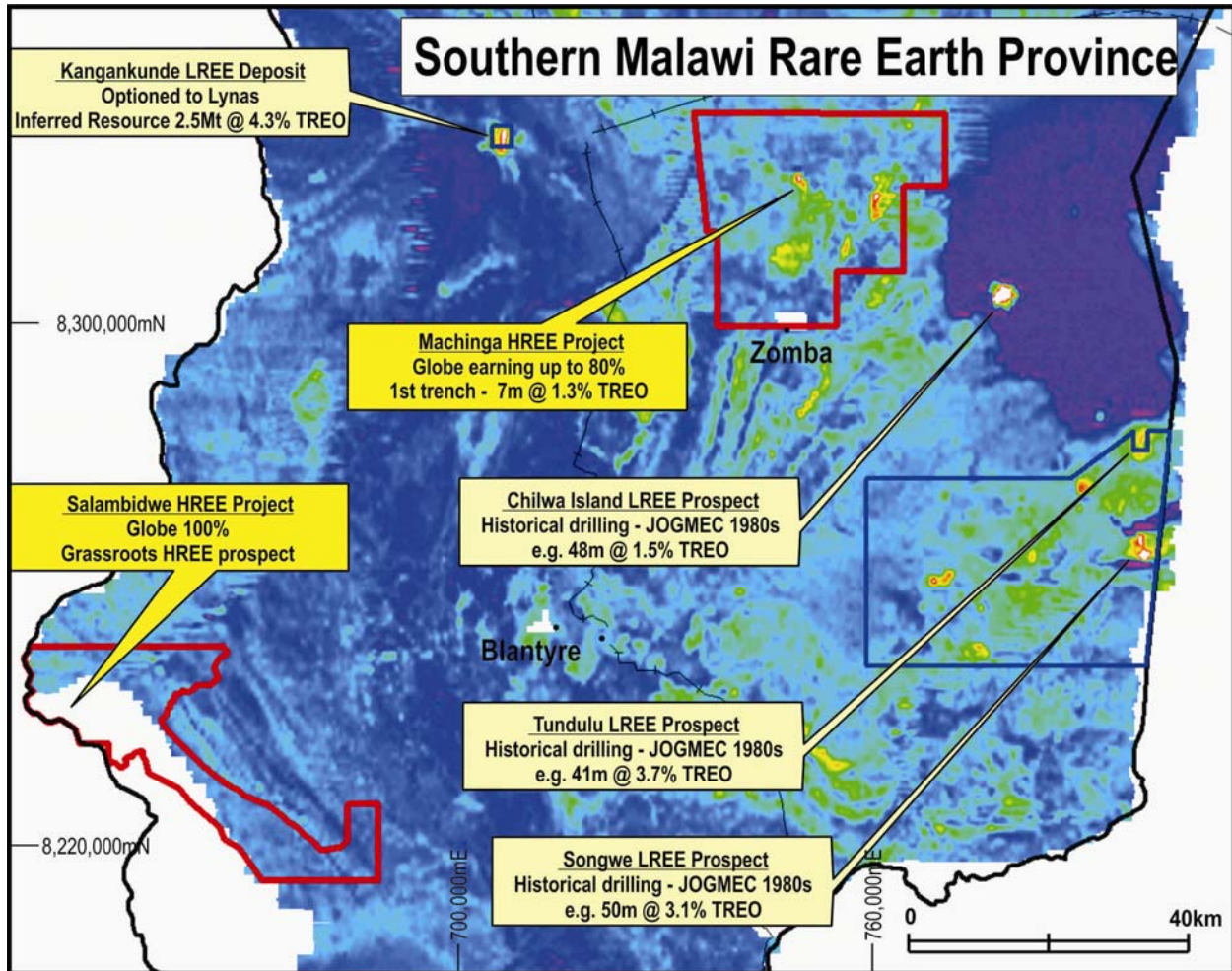
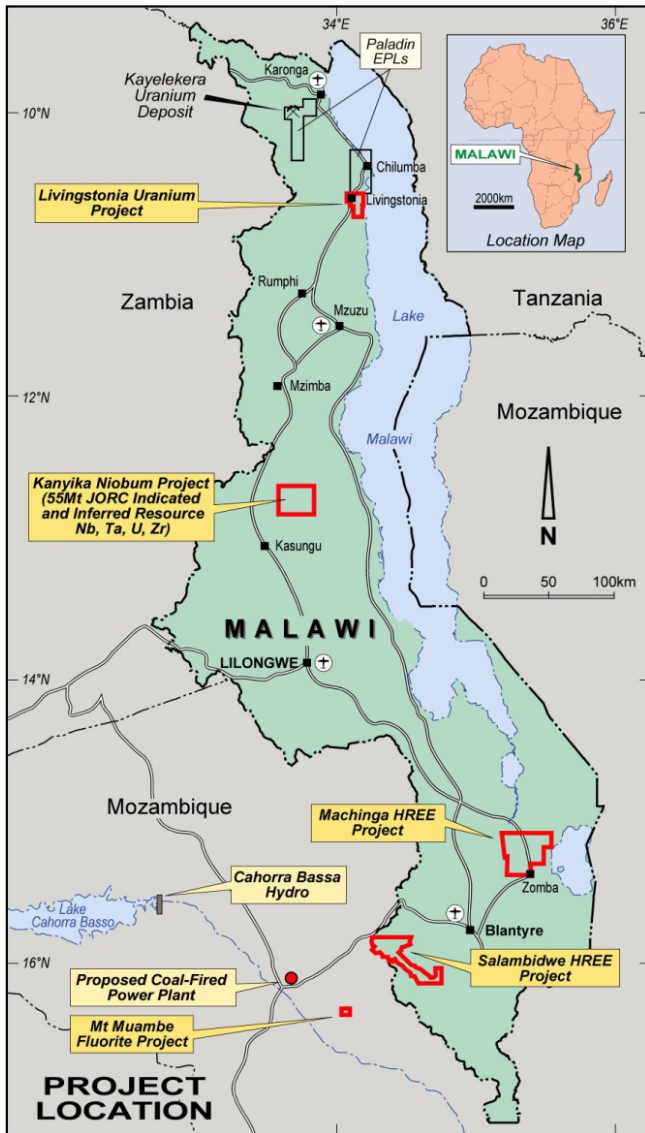


Figure 4: Major Rare Earth Deposits and Projects in Southern Malawi

For personal use only



### 3. Grant of new Rare Earth EPL at Salambidwe – Malawi



During the Quarter the Company announced the 100% acquisition of the Salambidwe Rare Earth Project (“Salambidwe”) - southern Malawi.

The Salambidwe Ring Complex forms part of the Chilwa Alkaline Suite of southern Malawi that also hosts the Kangankunde Deposit (2.5Mt @ 4.2% TREO), Machinga Rare Earth Project and numerous other REE prospects.

Salambidwe is located on the border with Mozambique, with about 85% of the complex occurring in Malawi and hence within Globe's EPL. The complex is approximately 6km in diameter and dominated by syenite and nepheline syenite with a core of agglomeratic rocks. Airborne radiometric data shows that the complex has elevated thorium and uranium levels, which are potential indicators of rare earth mineralisation in these geological environments. In addition, these syenitic rock types are known to be favourable hosts for the more valuable heavy rare earth elements (HREE), like at the Machinga Project 80km to the north-east.

Globe's Technical Director Dr Julian Stephens, said “Whilst this is a grassroots project, the Salambidwe Ring Complex has all the ingredients to host rare earth mineralisation. This acquisition enhances the Company's rare earth project footprint in Africa. We are looking forward to beginning field work at Salambidwe in Q3 2010.”

For personal use only

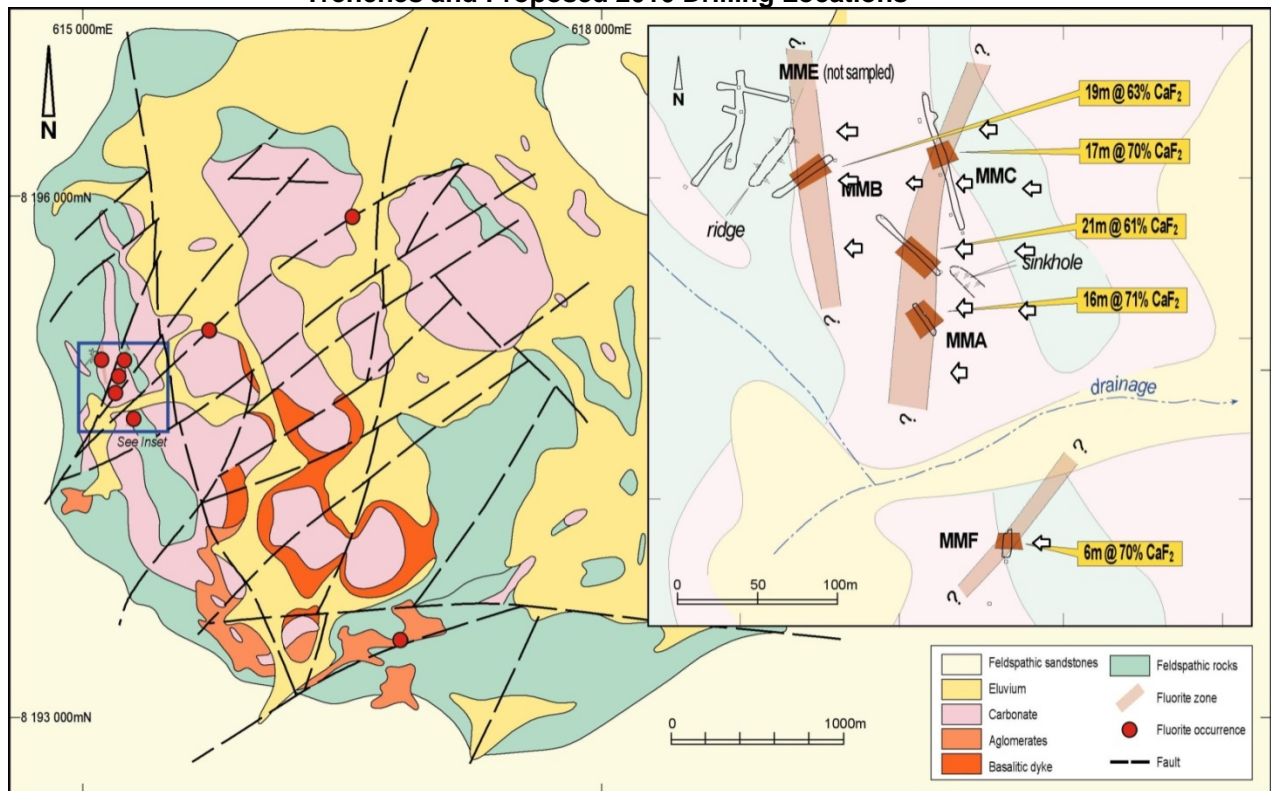
## 4. Mount Muambe Fluorite Project – Mozambique

The Company is making good progress toward beginning its maiden drill program on the Mount Muambe Fluorite Prospect in Mozambique.

The Company received environmental permits in mid-May and began with road construction in late May. Road construction has been significantly slower than expected due to difficult terrain and numerous equipment failures. However, the most challenging section of the road leading up the steep northern side of the crater is now complete, and the Company expects much more rapid progress from here on, with road and drill pad completion now targeted for end August 2010.

Globe now expects to begin its drilling program on this exciting fluorite target toward the end of August to early September, having moved the drilling to Machinga Rare Earth Project first, with the rig then returning to Mozambique to undertake the drilling at Mount Muambe.

**Figure 5: Geology of the Mount Muambe Carbonatite and Map of Re-Sampled Historical Trenches and Proposed 2010 Drilling Locations**



*Drilling locations and azimuth are indicated by the arrow symbols.*

## 5. Resource Estimate – Livingstonia Uranium Project

During Quarter, Globe's joint venture partner, Resource Star Limited announced an initial JORC resource estimate at the Livingstonia Uranium Project in Malawi. Resource Star has the potential to earn up to 80% interest in the Livingstonia Uranium Project in Malawi from Globe through exploration expenditure and attainment of milestone targets.

An Inferred Resource 7.7 million tonnes averaging 270 ppm U<sub>3</sub>O<sub>8</sub> for a contained 4.6 million pounds of U<sub>3</sub>O<sub>8</sub> (or approximately 2,070 tonnes of contained U<sub>3</sub>O<sub>8</sub>) at a lower cut-off grade of 150 ppm U<sub>3</sub>O<sub>8</sub> was estimated. The Resource Estimate was prepared by independent consultants CSA Global Pty Ltd ('CSA') and is reported in accordance with the JORC Code (2004) for reporting Mineral Resource estimates.

**Table 2: Mineral Resource Estimate with the Grade-Tonnage Tabulation**

<b>Lower Grade Cut-off</b> (ppm U <sub>3</sub> O <sub>8</sub> )	<b>Mineral Resource</b> (million tonnes)	<b>Grade</b> (ppm U <sub>3</sub> O <sub>8</sub> )	<b>Contained Metal</b> (Mlb U <sub>3</sub> O <sub>8</sub> )
100 ppm	14.5	201	6.43
<b>150 ppm</b>	<b>7.7</b>	<b>270</b>	<b>4.58</b>
200 ppm	<b>4.2</b>	352	3.25

## 6. Management Changes

To reflect the Company's ongoing evolution from being exploration focused, into a project development and emerging producer organisation, Dr Julian Stephens has relinquished his role as exploration manager, and will remain with the Company as a Non-Executive Director. Responsibility for the Company's exploration activities for the time being will fall to Mr. Andries Kruger, the Company's General Manager, Africa.

The Company would like to take this opportunity to thank Dr. Stephens for his enormous contribution to the Company, and in particular in relation to the discovery, early exploration, resource definition and assessment of economic feasibility re: to the Kanyika Niobium Project. The Company is extremely grateful and privileged to have had the benefit of his services.

### About Globe Metals & Mining

Globe Metals & Mining is an African-focused resource company. Its main focus is the multi-commodity (niobium, uranium, tantalum and zircon) Kanyika Niobium Project in central Malawi. A Bankable Feasibility Study was commissioned in August 2009 and production is planned to commence in 2013 at a rate of 3,000tpa niobium metal, principally in the form of ferro-niobium.

Globe also has a number of other projects at an earlier stage of development: it is earning up to an 80% interest in the Machinga Rare Earth Project in southern Malawi from Resource Star Limited (ASX: RSL), and the Company can earn up to a 90% interest in the Mount Muambe Fluorite Project in Mozambique. Initial drill programs on both projects will be undertaken in mid-2010.

Globe manages its projects from its regional exploration office in Lilongwe, the capital of Malawi. The Company has been listed on the ASX since December 2005 (ASX: GBE), and has its corporate head office in Perth, Australia.

### For further information please contact:

Mark Sumich, Executive Chairman, Globe Metals & Mining Limited:

+61 8 9486 1779

**Competent Person:** The contents of this report relating to geology and exploration results are based on information compiled by Dr. Julian Stephens, Member of the Australian Institute of Geoscientists and Executive Director - Exploration for Globe Metals & Mining. Dr Stephens has sufficient experience related to the activity being undertaken 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 and consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

**Competent Person:** The information in this report that relates to the Livingstonia Mineral Resource Estimation is based on information compiled by Dr Bielin Shi, who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Shi is an employee of the CSA Global Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type 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. Dr Shi consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Competent Person:** *The contents of this report relating to the Kanyika Mineral Resource Estimate are based on information compiled by Mr Michael Job, Member of the Australasian Institute of Mining and Metallurgy, and a consultant employed by Quantitative Group.. Mr Job has sufficient experience related to the activity being undertaken 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 and consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.*

For personal use only