Globe Metals & Mining Limited

(ABN 33 114 400 609)

And Controlled Entities

Annual Financial Report

For the year ended
30 June 2010

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CHAIRMAN'S LETTER

Dear Shareholder,

It is with great pleasure that I present to you the 2010 Annual Report.

The Company continues to evaluate opportunities as they arrive, and during the year the Company entered into agreements to entrench itself as a rare and specialty metals Company through the Machinga Rare Earths Project, and the Mt Muambe Fluorite Project. Initial drilling programs are expected to report during Q4 2010, and the Company eagerly awaits the results.

Obviously the key focus for your Company has been the Kanyika Niobium Project. During the year the Company has progressed the Bankable Feasibility Study and reverted to 100% ownership of the Project. An updated JORC Resource Estimate was released, revealing a 77% increase in Measured and Indicated tonnages for the Project.

The year ahead sees extensive work across all projects.

On behalf of the Board, I would like to thank our employees, contractors and consultants for their continued diligence and dedication towards the Company's suite of projects. I would also like to thank our shareholders for their ongoing support and I look forward to seeing you at our Annual General Meeting.

Yours sincerely,

Mark Sumich

REVIEW OF OPERATIONS

Summary

The year was successful for Globe with progress on the Kanyika Niobium Project, as well as additional projects being brought into the Company.

Significant achievements for the past year include:

- Updated JORC Resource Estimate for Kanyika, with a 77% increase in Measured and Indicated tonnages.
- Updated financial forecast based on the updated JORC estimate. The project's economics remain robust with an NPV of US$187M (@ 10% discount rate) and an IRR of 27%.
- Resolution of dispute with JV partner, reverting to 100% ownership of Kanyika Niobium Project.
- Agreement reached with Resource Star Limited to earn up to 80% interest in the Machinga Rare Earths Project in Malawi.
- Completion of encouraging trenching results and commencement of drilling operations at Machinga Rare Earths Project.
- Agreement reached for Resource Star Limited to earn up to 80% interest in the Livingstonia Uranium Project in Malawi.
- Agreement reached with Bala Ussokoti Lda to earn up to 90% interest in the Mount Muambe Fluorite Project in Mozambique.
- Granting of Salimbidwe Rare Earths Project tenement in Malawi.
- The Company is now in possession of MOUs for 45% of planned production.

Technical Team

Dr. Julian Stephens resigned as Executive Director following year end, but remains on the board as a Non-Executive Director. Mr. David Tullberg is the Company's Perth based GIS / Database Manager.

In Malawi, the technical team is led by Globe's Manager for Africa, Andries Kruger. He is supported by expatriate geologist Michael Schultz, and Malawian national geologists Chrispine Ngwena and Riedwel Nyirenda.

Corporate Management

Mr. Bill Hayden became a Non-Executive Director of the Company in November 2009. Bill holds a Bachelor of Science (Hons.) in Geology from Sierra Nevada College, Nevada, USA. He is a geologist with over 33 years experience in the mineral exploration industry, much of which has been in Africa and the Asia-Pacific region. Bill was the founder and President of Ivanhoe Nickel and Platinum (formerly African Minerals Ltd.), a Canadian company which has assembled extensive mineral holdings in South Africa, Zambia, and the Democratic Republic of Congo. Since 1986 Bill has worked in a management capacity with several exploration and mining companies both in Australia and overseas. Bill is President of Ivanhoe Philippines, Inc. (an Ivanhoe Mines wholly owned subsidiary). He is also a director of Pan Palladium South Africa Ltd, GoviEx Niger Holdings Ltd., Ivanhoe Nickel and Platinum Ltd (and its Australian subsidiaries), and Ivanhoe Australia Ltd.

Mr Brad Wynne was appointed as Company Secretary and Chief Financial Officer in March, with responsibility for the Company's financial, administration, compliance and governance functions.

Mr. Dye Mawindo was appointed as Chairman of Globe Metals & Mining (Africa) Limited, being the sole purpose vehicle for the Kanyika Niobium Project. Mr Mawindo is a Malawian national with degrees in law and business administration. He currently operates as a legal and business services consultant, and has served on the board of a number of major companies in Malawi, including Old Mutual (the largest life assurance company in Malawi), National Bank of Malawi (the largest bank in Malawi), Malawi Property Investment Company Limited (listed and largest real estate business in Malawi), Nedbank (Malawi) and Illovo (South Africa).

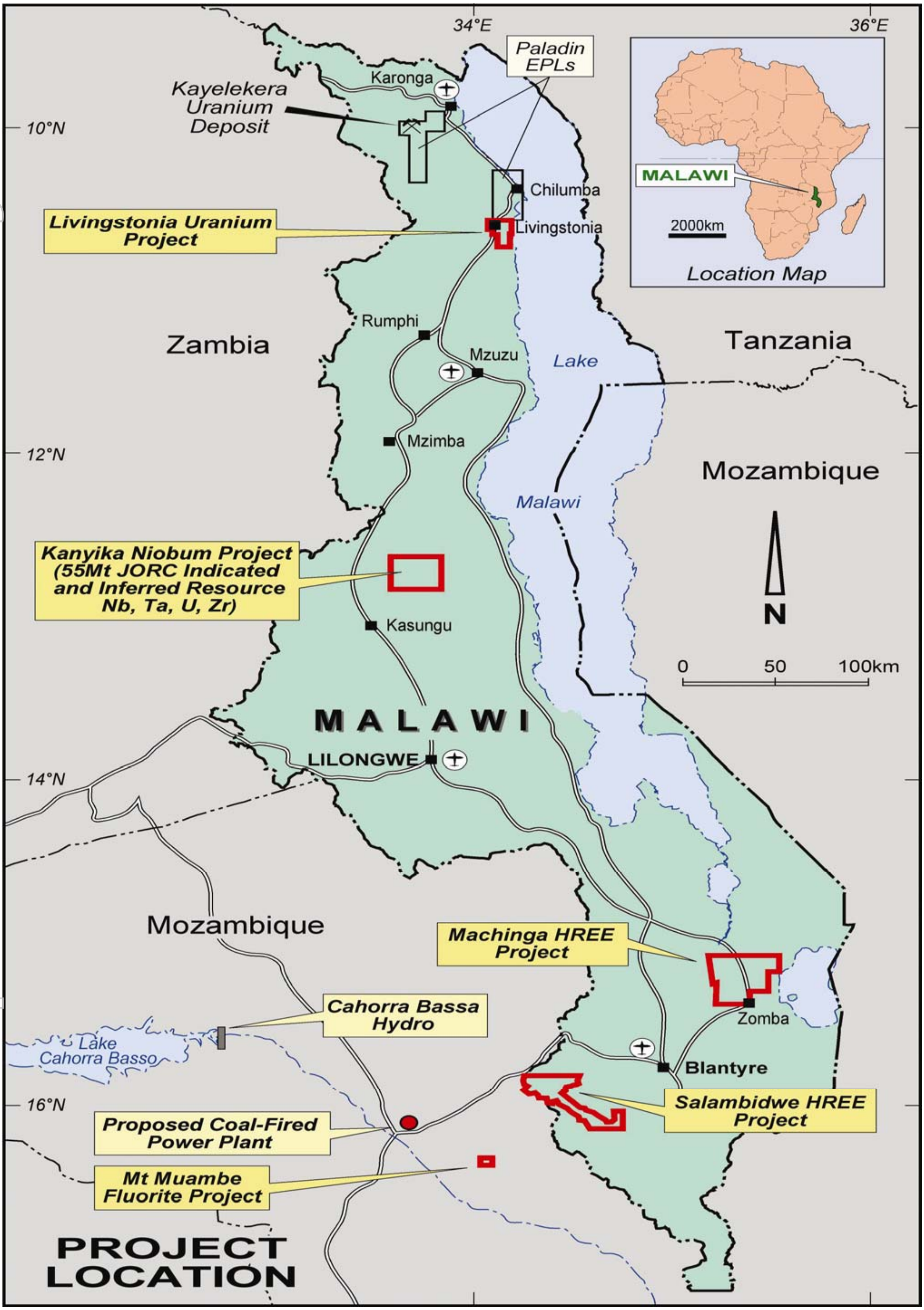

Figure 1: Project Location Map

Kanyika Niobium Project – Malawi

The Kanyika Niobium Project in central Malawi was the main focus of the Company during the year.

Resource

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.

Table 1: Mineral Resource Estimates for Kanyika (1,500 ppm Nb_2O_5 lower cut).

Category	Million Tonnes	Nb_2O_5 ppm	Ta_2O_5 ppm	U_3O_8 ppm	$ZrSiO_4$ 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
Total	60	2,900	140	90	5,000

Table 2: Mineral Resource Estimates for Kanyika (3,000 ppm Nb_2O_5 lower cut).

Category	Million Tonnes	Nb_2O_5 ppm	Ta_2O_5 ppm	U_3O_8 ppm	$ZrSiO_4$ 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
Total	21	4,100	180	110	5,800

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_2O_5, an increase of ~5% from the last resource estimate. Contained tantalum, uranium and zirconium have also increased by a similar amount.

3. Increase in Grade of >3,000ppm Nb_2O_5 Component – The Nb_2O_5 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.

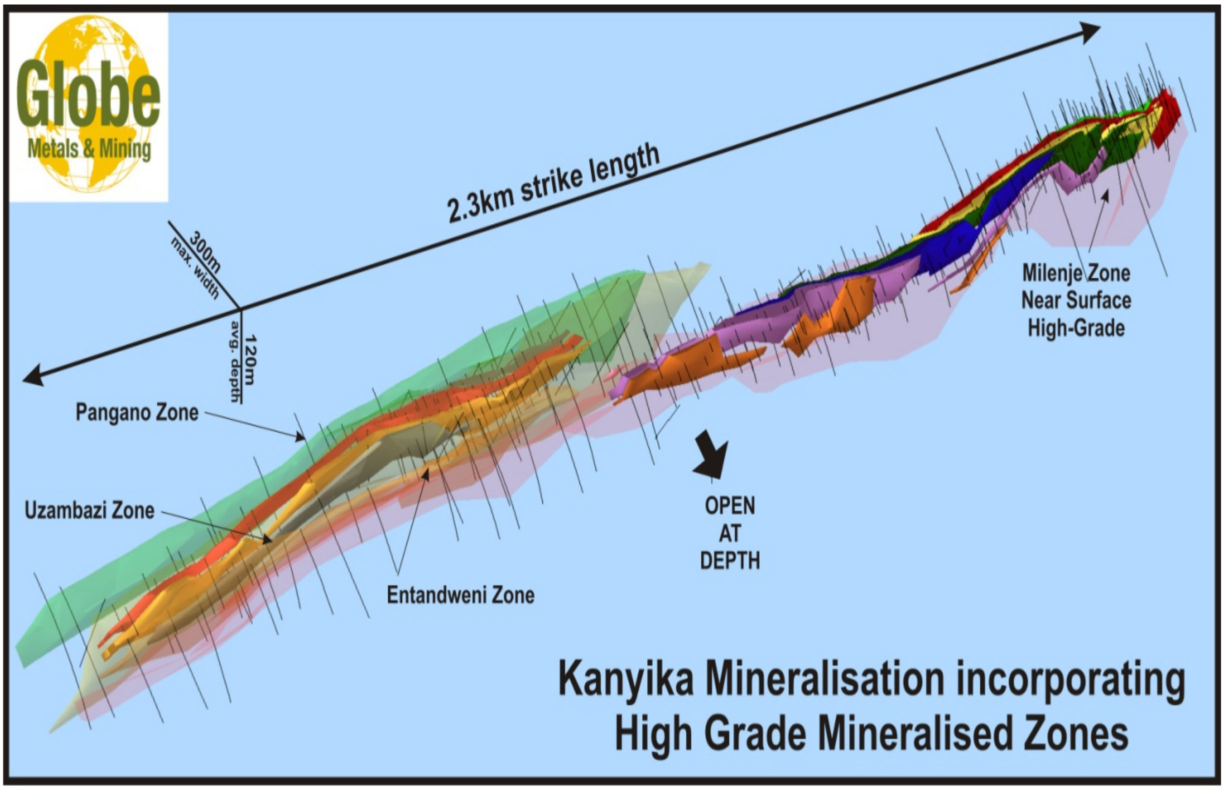

Figure 2. Depiction of the four discrete mineralised zones at Kanyika which strike towards 020° and dip between 40° and 80° to the west. The mineralised zones were defined using a nominal 2,000ppm Nb_2O_5 equivalent cut-off, guided by the local geology.

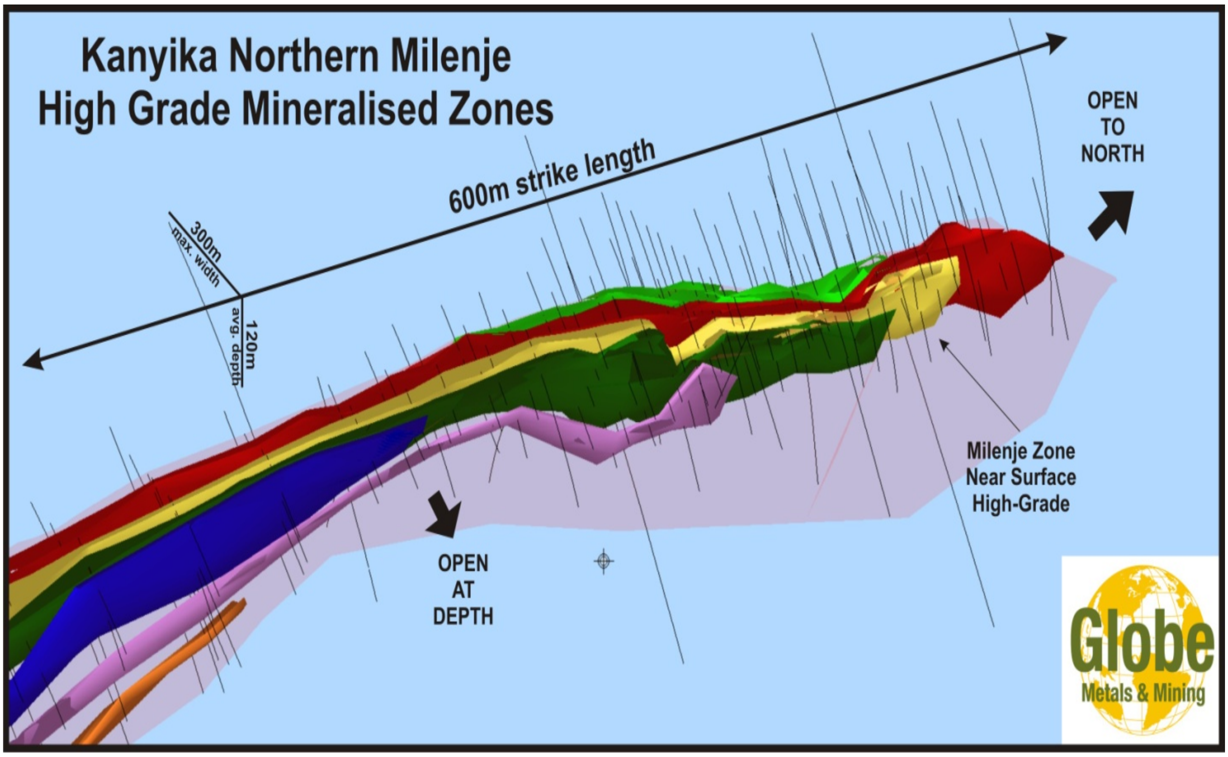

Figure 3. Depiction of continuous high grade shoot wireframes within the Milenje mineralised zone from 6,896,700mN to 6,897,300mN. A 4,250 ppm Nb_2O_5 equivalent cut-off was used to define the domain boundaries.

Updated Financial Forecast

The new financial forecast was completed in September 2010, incorporating the new JORC resource.

The robustness of the positive economic and project viability was outlined in the following highlights:

- US$187M NPV (@ 10% discount rate)
- IRR of 27%
- Capital Cost of US$155M (plus US$31M contingency)
- Capital payback period of 3 years (including year 1 production ramp up to name plate volumes)
- Annual revenues of US$170M

The key assumptions utilised in the forecast were:

- Fixed 3,000tpa niobium metal output, plus tantalum credits
- Same deal with the Government of Malawi as Paladin / Kayalekera: 15% equity to Government of Malawi for fiscal trade-offs including VAT and fuel excise exemption and income tax and royalty reductions
- FeNb price of US$44.50/kg contained metal (current spot China "60-B")
- Ta2O5 price US$180/kg (current spot US$230/kg)
- Blended diesel/hydro power @ $0.21/kwh (12-14MW)
- Uranium revenue and expense excluded

Appointment of BFS Project Manager

Mr. Michael Ryan was appointed as the Bankable Feasibility Study Project Manager for the Kanyika Niobium Project in November 2009.

Mr Ryan has over 30 years of experience in the metallurgical field as a practitioner, consultant and project manager in the fields of mine operations, project development and process plant commissioning. He has developed, operated and consulted widely on a large variety of projects, including heap leach, CIP, flotation, roasting and hydrometallurgy across a range of metals.

Most recently, since 1995, he has been principally involved with nickel laterite developments in Australia with a number of feasibility studies including the Murrin Murrin and Syerston Projects, and detailed design for Murrin Murrin. Previous employers (in the metallurgical field as project manager) include Resolute Mining, GME Resources, WMC and Anaconda Nickel.

Kanyika Joint Venture

As announced last year, the Company entered into a joint venture with Thuthuka Group Limited (Thuthuka), a South African engineering company, whereby Thuthuka would invest US$10.6 million into the Project to earn a 25% interest.

In June it was announced that both parties had agreed to the withdrawal of Thuthuka from the Project. No monetary consideration was paid by Globe under the terms of the settlement and Globe reverted to 100% of the equity in the Kanyika Niobium Project.

Development Agreement

A preliminary development agreement document has been drafted and is expected to be presented to Government of Malawi representatives in October.

Customer Supply Agreements

Globe has entered into three Memorandums of Understanding for the supply of Niobium from the Company's Kanyika Niobium Project in Malawi.

MOU #	Product	Nb Metal Content
1. (January 2009)	500tpa Nb2O5	350t
2. (June 2009)	1000tpa FeNb	660t
3. (February 2010)	500tpa Nb2O5	350t
Total		**1,360t**

The total annual production from the Project that is now subject to a Customer Supply MOU is 45%. The Company expects to conclude further supply arrangements as it progresses the development of the Kanyika Niobium Project. All MOU's signed to date are non-binding, and are subject to further agreement in relation to price, duration and product specification.

The niobium oxide is to be supplied to a sophisticated end-user of niobium oxides, metals and allows. The supply from Globe may be in the form of a concentrate, in which case there would be intermediate processing via a third party, or alternatively, direct supply by Globe of a high purity oxide (> ~98-99% Nb2O5), provided it can meet the end-user's product specifications.

Globe considers the identity of the customers to be highly commercially sensitive, and therefore to be treated as confidential.

Niobium Price and Market Update

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.

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.

Tantalum Price and Market Update

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% Ta2O5). This is substantially higher than the price used in Globe's existing financial forecast, US$180/kg, 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% Ta2O5) 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 Ta2O5, produced as a by-product of ferro-niobium (FeNb)/3,000tpa of niobium metal.

Machinga Rare Earths Project – Malawi

The Company has entered into a joint venture agreement to acquire up to 80% interest in the Machinga Rare Earth Project from Resource Star Limited, an Australian company.

About the Agreement

Globe will sole fund exploration, up to the completion of a feasibility study (±25% accuracy), and in doing so earn staged equity through the achievement of defined exploration and assessment hurdles over a maximum 8 year period. Work will be directed by an Operating Committee, of which Resource Star will be a member.

Staged equity is earned by Globe under the Machinga JV agreement through sole-funding exploration and assessment as follows:

Phase 1 – Exploration (1yr):	20%	US$250k exploration expenditure
Phase 2 - Exploration (3yrs):	51%	A further US$2.25M exploration expenditure
Phase 3 – Delineation (2yrs):	70%	JORC Resource >45kt contained Nb2O5-equivalent*
Phase 4 – Feasibility (2yrs):	80%	Feasibility study costed to ±25% accuracy

* Nb2O5-equivalent calculated as: Nb2O5 eq = 1 x Nb2O5 + 4 x Ta2O5 + 0.42 x TREO. Nb2O5 chosen as benchmark commodity due to its price stability.

The transfer of the registered title to Globe under the agreement, after expenditure of US$2.5M (i.e. Globe 51% economic interest), will require the approval of the Minister of Natural Resources, Energy and Environment in Malawi. It is not expected that this permission will be unreasonably withheld.

Geology

The licence area is dominated by rocks of the Mesozoic Chilwa Alkaline Province. These consist of granite, syenite and nepheline-syenite plutons and have associated volcanic vents characterised by carbonatite and agglomerate. The alkaline plutons intrude gneissic rocks of the Malawi Basement Complex.

The project area contains four alkaline plutons, three of which, the Chinduzi, Mongolowe, and Chaone ring-complexes are composed of nepheline-syenite and occur in an east-west string across the north of the project area. The fourth and largest Malosa Pluton forms the northern portion of the Zomba-Malosa Massif. It is composed of a heterogeneous mixture of syenitic and granitic rocks.

Mineralisation

The REE-Nb-Ta mineralisation at Machinga is associated with the eastern margin of the Malosa Pluton of Chilwa Alkaline Province age (Figure 2). Uranium and thorium anomalies are also associated with the REE-Nb-Ta mineralisation.

The Machinga Main Anomaly, highlighted by the UNDP airborne geophysical survey has a NNW-SSE strike length of approximately 7km. The anomaly occurs on the eastern margin of the Malosa Pluton. Ground radiometrics show this anomaly to be 7km long with >2x background. The main target is zone of >5x background covering an area of 2.7km by up to 0.3km wide at the northernmost end of the 7km anomaly.

Mapping and rock-chip sampling over the Machinga Main Anomaly by Resource Star Limited and previous workers shows the area is characterised by several generations of pegmatite dykes that host the majority of REE-Nb-Ta mineralisation. Several sets of bifurcating and anatomising pegmatite zones, with strike directions of between NW-SE and N-S, and dips of generally 30-45° to the NE and E, occur in the area. Each pegmatite zone is made up of a number of individual pegmatite veins ranging in width from 1cm to 15cm. Such zones typically have widths of 1-3m. Between each vein are transitional zones of altered gneiss which are also mineralised.

The REE-Nb-Ta mineralisation with associated U, Th and Zr occurs in the minerals pyrochlore, thorite, monazite, xenotime and zircon.

Targets

In total, the Machinga EPL now has seven significant REE targets (Figure 4). These are:

Machinga North – Strong radiometric anomaly showing high-grade pegmatite zones. Initial trench results include MATR001 - 7m @ 1.3% TREO and MATR002 - 33m @ 0.71% TREO including 11m @ 1.0% TREO. Results also show a very high heavy rare earth ratio (HREO:TREO) of between 32 and 38%, and hence significant enrichment in the more valuable heavy rare earth elements.

Machinga Central – Moderate radiometric anomaly with highly anomalous soil samples over the margin of Malosa Pluton. The Company is targeting the potential for bulk tonnage mineralisation in this area.

Machinga South – Like Machinga Central, this is a moderate radiometric anomaly with highly anomalous soil samples over the margin of the Malosa Pluton. The Company is targeting the potential for bulk tonnage mineralisation in this area.

Machinga South Extension – The margin of the Malosa Pluton appears to extend under shallow cover and becomes more shallowly dipping in this area. This is a conceptual target.

Malosa Mountain – The Malosa Mountain target is a large thorium anomaly in the central part of the Malosa Pluton. The Company's geological team speculates that this may represent a remnant part of the pluton's cupola and therefore a favourable site for mineralisation.

Domasi – The Domasi target is a moderate thorium anomaly.

Lingoni – The Lingoni target is a large and relatively high tenor thorium anomaly located about 10km to the west of Machinga. Airborne magnetic suggest the possibility of a buried granitoid pluton beneath the anomaly.

Trenching Program and 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 5 to 33m intercept widths at the Machinga Main Prospect.

The intercept in MATR003 occurs approximately 500m west of the intercepts in trenches MATR001 & 002 and represents an entirely new zone of mineralisation. This new intercept has significantly higher niobium grades than the mineralised zones in trenches MATR001 & MATR002.

The intercept in MATR005 occurs approximately 1.8km to the SSE of trenches MATR001–004, and indicates an overall strike length of 2.7km at the Machinga North target. This intercept is also an entirely new zone of mineralisation.

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.

Table 3: Significant REO-Nb-Ta-Zr results from Trenches MATR001 - 007

Trench ID	From (m)	To (m)	Width (m)*	TREO (ppm)	HREO (ppm)	Dy_2O_3 (ppm)	Tm_2O_3 (ppm)	Yb_2O_3 (ppm)	Nb_2O_5 (ppm)	Ta_2O_5 (ppm)	ZrO_2 (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.

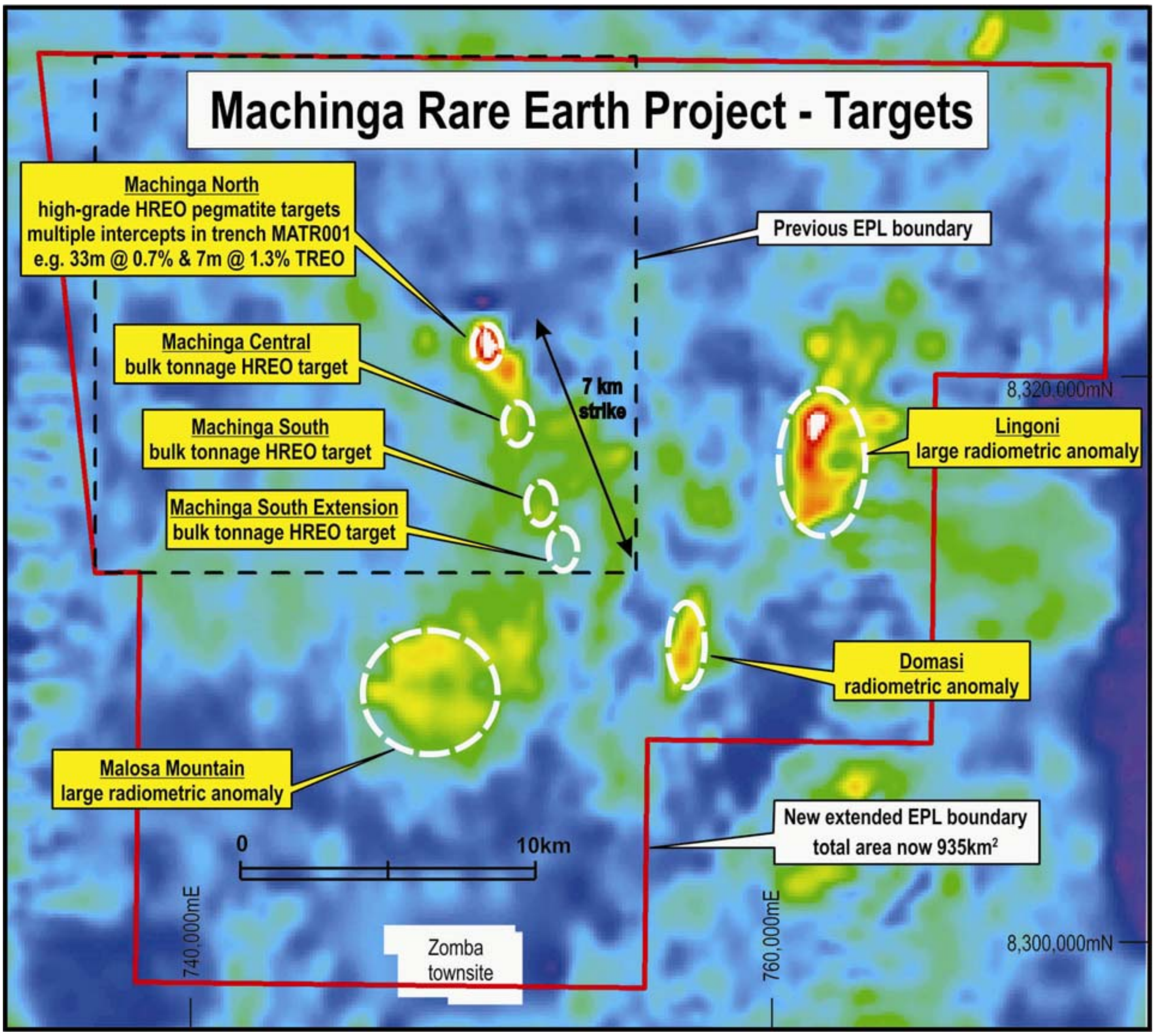

Figure 4. Airborne Thorium Image of the Machinga EPL showing the 7 Main Targets.

Drilling Program

The planned drilling program will test at least four discrete zones of HREO mineralisation over 2.7km of strike length at Machinga North. All holes will be drilled at -55° toward 270° in order to intersect the easterly dipping, mineralised pegmatite zones (Figure 5).

Mineralogical Study

A recent mineralogical study undertaken by Japanese rare earth experts has identified eudialyte as being the main host mineral for REEs at Machinga. Eudialyte is known to be the main ore mineral for REE at numerous HREE/Zirconium/Niobium mines of the Lovozero Province (Russia), and advanced projects at Kipawa Lake (Ontario), Strange Lake (Quebec) and Dubbo (Australia).

Eudialyte is one of the most common ore minerals for HREOs and concentration and processing methods have therefore already been developed for these ore types.

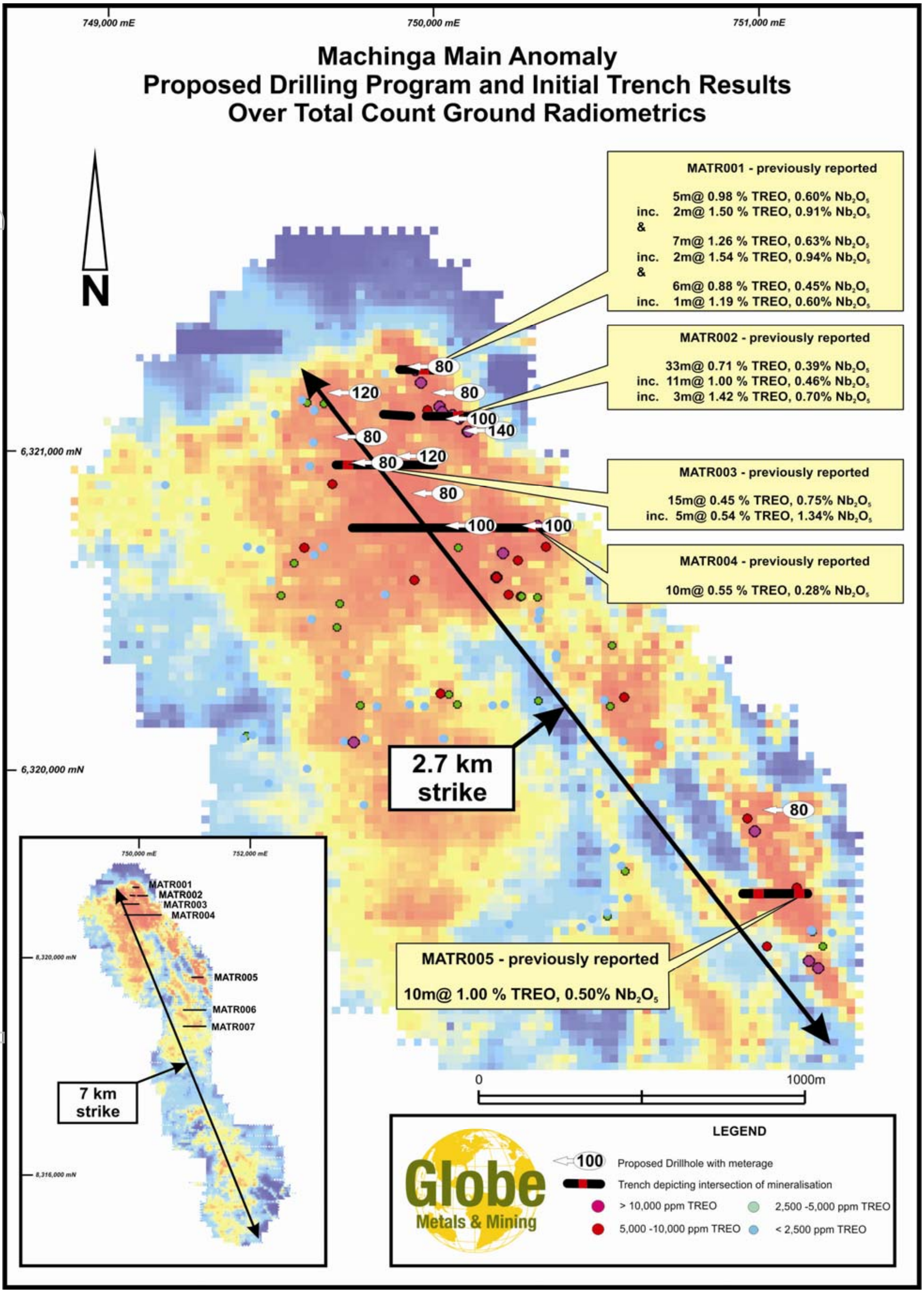

Figure 5. Planned Drilling at Machinga North Anomaly

Salambidwe Rare Earths Project – Malawi

In May, the Company was granted an Exclusive Prospecting Licence at Salambidwe in 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 Rare Earth Element 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.

The Company is expecting to begin field work at Salambidwe during Q4 2010.

Mount Muambe Fluorite Project – Mozambique

The Company has entered into a joint venture agreement to acquire up to 90% interest in the Mount Muambe Fluorite Project from Bala Ussokoti Lda, a Mozambican entity.

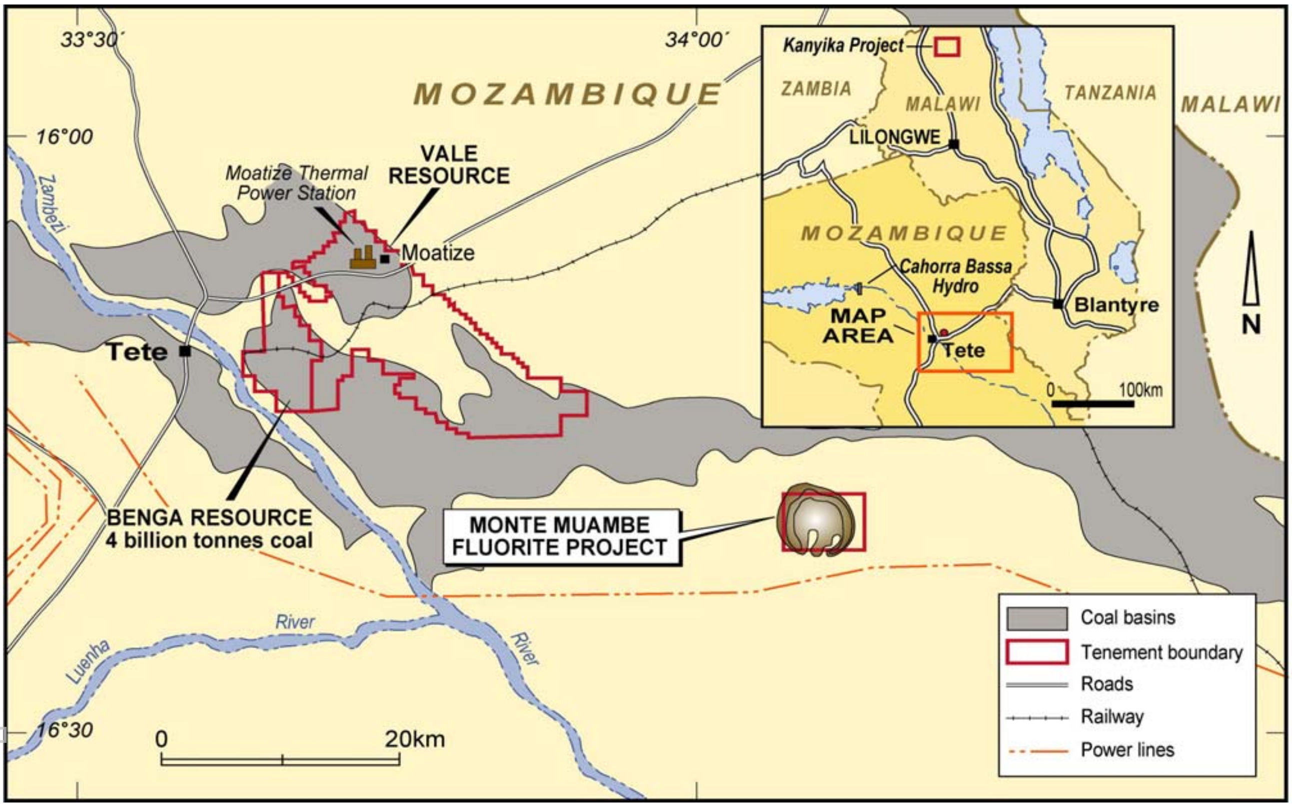

Figure 6: Location map showing Mount Muambe Fluorite Project in Tete Province, Mozambique.

About the Agreement

Staged equity is earned by Globe under the Mt Muambe JV agreement through sole-funding exploration and assessment as follows:

Year 1:	20%	Construct a site access road and complete 1,000m of drilling
Year 2:	50%	3,000m of drilling or 1,000-2,000m of drilling and specified metallurgical test-work
Year 3:	70%	JORC Resource
Year 4:	80%	Feasibility study
Year 5+:	90%	Option to purchase 10% at agreed price or as determined by independent expert

Geology

Mount Muambe is a circular, carbonatite body approximately 6km in diameter that was emplaced into Karoo sedimentary rocks and basalts.

Carbonatites are rare, carbonate-rich igneous rocks with only ~300 known occurrences world-wide. Carbonatites are often associated with rifting or other extensional stress regimes. For this reason, south-east African countries situated near the East African Rift are particularly well endowed with carbonatites. They most commonly occur as extrusions such as volcanoes, often forming typical ring or crater structures.

These unique rocks can be enriched with a host of different economic commodities ranging from copper to iron, titanium, niobium, thorium, uranium, rare earth elements, barium, fluorine, phosphorous and other rare or incompatible elements. One carbonatite commodity type is fluorite. Two of the largest producers of fluorite from carbonatite-related deposits are located at Okorusu (Namibia) and Amba Dongar (India).

The Mount Muambe intrusion itself has built a prominent ring-like structure where it has uplifted the resistant Karoo rocks, which now form steep hills. Inside the ring structure, within the carbonatite itself, the topography flattens considerably.

There are two main types of carbonatite present at Mount Muambe, in addition to altered country rocks called fenite:

- A fine grained, massive, banded calcium carbonatite which forms the bulk of the complex
- An agglomeritic carbonatite is found mainly in the southern parts of the crater and contains clasts of fine and course grained carbonatite, quartzite, basalt and fenite.

Fenite occurs at the margins of the intrusion where former country rock has been completely altered by fluids associated with the carbonatite. The fenite consists nearly entirely of alkali feldspar. The majority of fluorite mineralization occurs within fenite.

Mineralisation

Two previous historical work programs identified significant fluorite mineralisation which was trenched and sampled. The bulk of the mineralisation occurs as fine grained, disseminated to massive, blue fluorite. A coarser yellow fluorite occurs as aggregates and is associated with shears and veins within the fenite.

Best fluorite grades appear to be associated with a system of NE-striking faults that cut the carbonatite and fenite. Overall fluorite grades within these mineralised zones consistently average 60-70% CaF_2 over trench intercept widths generally between 10 and 20m. Discrete, fault-related zones of fluorite mineralisation have been identified in the six trenches over a broad area of approximately 300m x 200m.

Additional fluorite mineralisation has been mapped in at least four other locations within the Mount Muambe carbonatite complex. Some of these occurrences appear to be hosted along the same NE-trending faults that host mineralisation that occurs in the trenches.

Globe therefore believes there is significant potential to extend the known zones of fluorite mineralisation, and for the discovery of new zones of mineralisation.

Work Completed and Planned

Two of Globe's experienced geologists visited Mount Muambe for a two day period to conduct technical due diligence that included confirmation of trench locations and rock-chip sampling to confirm historical fluorite grades.

All of the main historical trenches were located and surveyed. A total of 26 1m rock-chip channel samples were taken to confirm historical grades (Table 4). The sampling focussed on the highest grade areas of the historical trenches.

Table 4. Due diligence rock-chip sample results

Sample ID	CaF_2 %	Sample ID	CaF_2 %
Z000001	>70.3%	Z000013	>67.0%
Z000001	>73.3%	Z000014	>65.1%
Z000002	>62.0%	Z000015	>47.4%
Z000003	>73.7%	Z000016	>53.5%
Z000004	>64.8%	Z000017	>64.5%
Z000005	>67.9%	Z000018	>65.0%
Z000006	>57.8%	Z000019	31.8%
Z000007	>57.0%	Z000020	>59.9%
Z000008	11.9%	Z000021	>43.8%
Z000009	34.4%	Z000021	>53.4%
Z000010	>59.9%	Z000022	>76.1%
Z000011	>55.5%	Z000023	>64.8%
Z000012	>73.1%	Z000024	>57.6%
		**SARM 15*	*>78.0%*

Note: Genalysis has advised Globe that the fluoride fusion technique used for these analyses resulted in incomplete fusion of most of the samples due to their very high CaF_2 content. Therefore, the majority of results reported are minimum CaF_2 values only, where the actual CaF_2 content of the samples are certainly greater than that reported. For example, the mineral standard SARM 15, was reported by Genalysis to have a value of 78% CaF_2 (38% F), when the known, certified value of this standard is in fact 98%. Thus in this case, the technique has under-reported the value by 20% CaF_2. Genalysis state, however, that it is not necessarily possible to quantify the degree to which each sample is reading low. Genalysis is developing a technique that will be more suitable for analysing these very high-grade fluorite samples from Mount Muambe.

The Company intends to commence an initial 1,000m drilling program in Q4, 2010.

Livingstonia Uranium Project – Malawi

The Company has entered into a joint venture agreement with Resource Star Limited, whereby they can acquire up to 80% interest in the Livingstonia Uranium Project.

About the Agreement

Resource Star will sole fund exploration, up to the completion of a feasibility study (±25% accuracy), and in doing so earn staged equity through the achievement of defined exploration and assessment hurdles.

Staged equity is earned by Resource Star under the Livingstonia JV agreement through sole-funding exploration and assessment as follows:

Phase 1 – Advanced Exploration:	20%	Completion of a Resource Estimate & 1,000m of drilling
Phase 2 – Ongoing Assessment:	51%	A further US$3.25M exploration expenditure
Phase 3 – Delineation:	70%	JORC Resource >10kt contained U3O8
Phase 4 – Feasibility:	80%	Feasibility study costed to ±25% accuracy

Resource Estimate

As part of its Phase 1 hurdles, Resource Star announced an initial JORC resource estimate.

An Inferred Resource 7.7 million tonnes averaging 270 ppm U3O8 for a contained 4.6 million pounds of U3O8 (or approximately 2,070 tonnes of contained U3O8) at a lower cut-off grade of 150 ppm U3O8 was estimated. The Resource Estimate was been 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 5: Mineral Resource Estimate with the Grade-Tonnage Tabulation

Lower Grade Cut-off (ppm U_3O_8)	**Mineral Resource** (million tonnes)	**Grade** (ppm U_3O_8)	**Contained Metal** (Mlb U_3O_8)
100 ppm	14.5	201	6.43
150 ppm	**7.7**	**270**	**4.58**
200 ppm	**4.2**	352	3.25

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 Non-Executive Director 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.*

DIRECTORS' REPORT

The directors of Globe Metals & Mining Limited submit herewith the financial report of the Company and its controlled entities for the financial year ended 30 June 2010. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

1. DIRECTORS

The names and particulars of the directors of the Company during or since the end of the financial year are:

Mark Sumich	Executive Chairman (appointed Chairman 1 October 2009)
David Sumich	Non-Executive Director (resigned as Chairman 1 October 2009)
William Hayden	Non-Executive Director (appointed 12 November 2009)
Dr Julian Stephens	Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Mark Sumich	Executive Chairman	
Qualifications	LLB (UWA); MBA (Lon)	
Experience	Mark brings a wealth of managerial, financial and legal expertise to Globe Metals & Mining, and he has also been a director and senior executive of a number of public and/or ASX-listed companies. Professional advisory experience includes corporate and securities law in the Perth office of Clayton Utz, one of Australia's largest law firms, corporate finance with PricewaterhouseCoopers and more recently financial consulting to some of Australia's largest financial services organisations.	
Interest in Shares	6,327,500	Fully Paid Ordinary Shares
Interest in Unlisted Shares	1,070,000 2,140,000	Class A Performance Shares Class B Performance Shares
Interest in Options	1,000,000	15 cent options exercisable on or before 20 July 2013
Directorship of ASX Listed Companies	Nil	
David Sumich	Non-Executive Director	
Qualifications	B.Bus (Hons); MAICD	
Experience	David brings to Globe Metals & Mining over 15 years experience in the investment banking and corporate finance fields. He worked for Merrill Lynch during the early 90's where he worked in the International Private Banking division and assisted many small companies through the seed capital stage to ASX listing. More recently, David has worked in the Middle East including HSBC, advising many resource and energy corporations throughout Middle East and Africa on project finance, mergers & acquisitions and financing solutions. David has also worked in Hong Kong for a venture capitalist and asset management firm and became a member of the Hong Kong Securities and Futures Commission. David was also Executive Director of ASX listed company, DMC Mining Limited until it was taken over by Cape Lambert Resources Limited.	
Interest in Shares	1,237,500	Fully paid Ordinary Shares
Interest in Options	600,000	15 cent options exercisable on or before 20 July 2013
Directorship of ASX Listed Companies	DMC Mining Limited from 18 July 2007 until 9 July 2010.	

DIRECTORS' REPORT

Dr Julian Stephens	Non-Executive Director	
Qualifications	PhD; BSc (Hons); MAIG	
Experience	Julian has over 15 years of experience in the exploration and mining sectors and economic-structural geology research fields. Julian was employed as Globe's Exploration Manager from 2006-2008 before becoming an Executive Director in late 2008. Post balance date Julian resigned his post but remains on board as a Non-Executive Director. Between 2004 and 2006 Julian was employed as a senior structural/economic geology consultant for mining consultancy RSG Global From 1999 to 2003 Julian completed his PhD at James Cook University, Queensland. His thesis was entitled "Structural, mechanical and P-T evolution of intrusion-related gold systems at Clear Creek and Dublin Gulch, Yukon, Canada". Julian worked as a consulting geologist in western Canada between 2003 and 2004. From 1995 to 1999, Julian worked as a mine and exploration geologist for a number of junior and major companies in Australia.	
Interest in Shares	930,236	Fully Paid Ordinary Shares
Interest in Unlisted Shares	430,000 860,000	Class A Performance Shares Class B Performance Shares
Interest in Options	600,000	15 cent options exercisable on or before 20 July 2013
Directorship of ASX Listed Companies	Nil	
William Hayden	Non-Executive Director	
Qualifications	BSc (Hons)	
Experience	Bill is a geologist with over 33 years experience in the mineral exploration industry, much of which has been in Africa and the Asia-Pacific region. Bill was the founder and President of Ivanhoe Nickel and Platinum (formerly African Minerals Ltd.), a Canadian company which has assembled extensive mineral holdings in South Africa, Zambia, and the Democratic Republic of Congo. Since 1986 Bill has worked in a management capacity with several exploration and mining companies both in Australia and overseas. Bill is President of Ivanhoe Philippines, Inc. (an Ivanhoe Mines wholly owned subsidiary). He is also a director of Pan Palladium South Africa Ltd, GoviEx Niger Holdings Ltd., Ivanhoe Nickel and Platinum Ltd (and its Australian subsidiaries), and Ivanhoe Australia Ltd.	
Interest in Shares	76,923	Fully Paid Ordinary Shares
Directorship of ASX Listed Companies	Nil	

DIRECTORS' REPORT

COMPANY SECRETARY

The following persons have held the position of Company Secretary during or at the end of the financial year:

Lloyd Flint (Resigned 30 December 2009)

Lloyd is a chartered accountant with over 20 years experience in the corporate and financial services arena. He has held a number of management and senior administrative positions as well as providing corporate advisory services as a consultant to corporate clients. He graduated with a Bachelor of Accounts in 1984 and later completed a Master of Business Administration from Manchester Business School. He is a member of the Institute of Chartered Accountants in Australia and the Financial Services Institute of Australasia.

Stephen Hewitt Dutton (Appointed 30 December 2009, Resigned 4 March 2010)

Stephen is a chartered accountant with over 17 years of experience in accounting, finance and company secretarial in listed and unlisted companies. He also has four years corporate finance experience including private and public capital raisings and mergers and acquisitions. He graduated with a Bachelor of Business from Curtin University, is an affiliate of the Institute of Chartered Accountants in Australia and a Senior Associate of FinSIA.

Bradley Wynne (Appointed 4 March 2010)

Brad is highly experience in the mining, oil and gas and engineering industries. He has held senior financial management positions in the mining sector with companies including Xstrata Zinc and St Barbara Mines, and was previously Chief Financial Officer and Company Secretary of GME Resources. Brad has overseen and implemented major mining and construction projects in Australia, Africa, South East Asia and the Middle East. He is a member of the Institute of Chartered Accountants in Australia and the Chartered Secretaries of Australia.

2. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the financial year was mineral exploration.

There were no significant changes in the nature of the Consolidated Entity's principal activities during the current year.

3. RESULTS

The consolidated comprehensive loss of the economic entity after providing for income tax amounted to $2,711,149 (2009: $3,078,048).

DIRECTORS' REPORT

4. REVIEW OF OPERATIONS

This financial year has been extremely busy, and successful, for the Company with substantial progress being made on a number of issues. Please refer to the detailed Review of Operations on page 3.

Corporate/Financial

The Company issued 24,388,669 shares, 1,500,000 Class A performance shares, 3,000,000 Class B performance shares and 3,150,000 options during the year. The Company raised $5,200,000 (before costs) from an issue of 20,000,000 shares at $0.26 each. The remaining 4,388,669 shares were issued to employees, consultants and creditors of the Company.

Exploration Results

The year was an extremely successful one for Globe, as there was very rapid progress on the Kanyika Niobium Project, the main undertaking of the Company. Please refer to the detailed Review of Operations on page 3.

5. FINANCIAL POSITION

The Company issued 24,388,669 shares, 1,500,000 Class A performance shares, 3,000,000 Class B performance shares and 3,150,000 options during the year. The Company raised $5,200,000 (before costs) from an issue of 20,000,000 shares at $0.26 each. The remaining 4,388,669 shares were issued to employees, consultants and creditors of the Company. 3,200,000 options expired during the year. The consolidated entity has Cash and Cash Equivalents at 30 June 2010 of approximately $2.32 million. The Directors believe that the Company currently has sufficient capital to effectively develop and explore its current landholdings.

6. BUSINESS STRATEGIES AND PROSPECTS FOR THE FORTHCOMING YEAR

Globe Metals & Mining Limited is an Australian-based specialty metals company whose strategy is to become a leading metals producer through global exploration and acquisition of advanced-stage projects. The Consolidated Entity is confident that the combination of its management team's expertise, the existing portfolio of projects, management's ability to source and review new projects and the continued buoyant commodity prices all bode well for the Consolidated Entity in the forthcoming year.

7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the course of the financial year, the Company entered into two joint venture agreements with ASX-listed entity, Resource Star Limited. The first allows the Company to earn in up to 80% interest in the Machinga Rare Earths project in southern Malawi. The second allows Resource Star to earn in up to 80% interest in the Company's Livingstonia Uranium project, in northern Malawi.

The Company also entered into agreement with Bala Ussokoti Lda, a Mozambican entity, to earn into up to 90% interest in the Mt Muambe Fluorite project in Tete province, Mozambique.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial period.

8. SUBSEQUENT EVENTS

There have been no subsequent events since balance date to be disclosed.

9. FUTURE DEVELOPMENTS

The Consolidated Entity will continue its mineral exploration activity at and around its exploration projects with the object of identifying commercial resources.

10. ENVIRONMENTAL ISSUES

The Consolidated Entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

DIRECTORS' REPORT

11. DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

12. REMUNERATION REPORT - AUDITED

Remuneration policy
The remuneration policy of Globe Metals & Mining Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific long-term incentives based on key performance areas affecting the economic entity's financial results. The board of Globe Metals & Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the economic entity.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are independently valued by corporate advisers using the Black-Scholes method.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $150,000). Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Performance based remuneration
The Company has no performance based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and director's and executive's remuneration
The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes the policy will be effective in increasing shareholder wealth. For details of directors and executives interests in options at year end, refer note 4 of the financial statements.

Employment contracts of key management personnel
For details of service agreements between key management personnel and Globe Metals & Mining Limited, refer note 4 of the financial statements.

DIRECTORS' REPORT

12. REMUNERATION REPORT – AUDITED (cont)

Compensation of key management personnel for the period ended 30 June 2010

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL
	Salary & Fees	Cash Bonus	Non Monetary	Super-annuation	Retirement Benefits	Equity	Options	$
Directors								
Mark Sumich Executive Chairman (appointed Chairman 01/10/09)								
2010	300,135	-	-	20,262	-	593,850	134,000	1,048,247
2009	246,667	-	-	22,200	-	-	-	268,867
Julian Stephens Executive Director								
2010	170,833	-	-	15,375	-	277,450	80,400	544,058
2009	150,000	-	-	13,500	-	25,000	-	188,500
David Sumich Non-Executive Director (resigned as Chairman 01/10/09)								
2010	35,333	-	-	3,180	-	-	80,400	118,913
2009	45,000	-	-	4,050	-	-	-	49,050
William Hayden Non-Executive (appointed 12 December 2009)								
2010	22,361	-	-	-	-	-	-	22,361
2009	-	-	-	-	-	-	-	-
Peter van der Borgh Technical Director (non executive)								
2010	-	-	-	-	-	-	-	-
2009 (resigned 15/12/08)	26,934	-	-	2,424	-	-	-	29,358
Total remuneration directors								
2010	528,662	-	-	38,817	-	871,300	294,800	1,733,579
2009	468,601	-	-	42,174	-	25,000	-	535,775

DIRECTORS' REPORT

12. REMUNERATION REPORT – AUDITED (cont)

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL
	Salary & Fees	Cash Bonus	Non Monetary	Super-annuation	Retirement Benefits	Equity	Options	$
Specified Executives								
Bradley Wynne Chief Financial Officer and Company Secretary (appointed 04/03/10)								
2010	53,333	-	-	4,800	-	-	51,062	109,195
2009	-	-	-	-	-	-	-	-
Bruce Franzen Company Secretary (resigned 06/01/09)								
2010	-	-	-	-	-	-	-	-
2009	(i)94,293	-	-	-	-	20,000	-	114,293
Dean Scarparolo Company Secretary (appointed 06/01/09 and resigned 20/04/09)								
2010	-	-	-	-	-	-	-	-
2009	(ii)47,246	-	-	-	-	-	(iii)-	47,246
Lloyd Flint Company Secretary (appointed 20/04/09 and resigned 30/12/09)								
2010	(iv)46,125	-	-	-	-	-	-	46,125
2009	(iv)8,000	-	-	-	-	-	-	8,000
Stephen Hewitt-Dutton Company Secretary (appointed 30/12/09 and resigned 04/03/10)								
2010	(v)23,733	-	-	-	-	-	-	23,733
2009	-	-	-	-	-	-	-	-
Total remuneration specified executives								
2010	123,191	-	-	4,800	-	-	51,062	179,053
2009	149,539	-	-	-	-	20,000	-	169,539

i. An aggregate amount of $94,293 was paid, or was due and payable to Zen Magnolia Pty Ltd, a company of which Mr Bruce Franzen is a director, for the provision of company secretarial and accounting services to the Company.

ii. An aggregate amount of $47,246 was paid to DMC Mining Limited, a company of which Mr Scarparolo was an employee and which contracted out the services of Mr Scarparolo, who filled the position of Company Secretary on a part time basis.

iii. Mr Scarparolo was issued options in September 2008 which were cancellable should he resign his position in the Company. No benefit was received from the options which were cancelled on his resignation on 20 April 2009.

iv. An aggregate amount of $46,125 (2009: $8,000) was paid to Citadel Capital Pty Ltd which contracted out the services of Mr Flint, who filled the position of Company Secretary on a part time basis.

v. An aggregate amount of $23,733 was paid to Trident Management Services Pty Ltd which contracted out the services of Mr Hewitt-Dutton, who filled the position of Company Secretary on a part time basis.

DIRECTORS' REPORT

12. REMUNERATION REPORT – AUDITED (cont)

Compensation shares granted during the year ended 30 June 2010

	Vested No.	Granted No	Grant Date	Value per Share at Grant Date $	Terms & Conditions for Each Grant Vesting Date
Julian Stephens	250,000	250,000	21/07/09	0.08	21/07/09
Julian Stephens	200,000	200,000	21/07/09	0.094	21/07/09
	450,000	450,000			

Value per share is approximately the market price at date of approval of the grant.

Compensation shares granted during the year ended 30 June 2009

	Vested No.	Granted No	Grant Date	Value per Share at Grant Date $	Terms & Conditions for Each Grant Vesting Date
Julian Stephens	250,000	250,000	15/12/08	0.10	15/12/08
Bruce Franzen	200,000	200,000	15/12/08	0.10	15/12/08
	450,000	450,000			

Value per share is approximately the market price at date of the grant.

Compensation Class A Performance shares granted during the year ended 30 June 2010

	Vested No.	Granted No	Grant Date	Value per Share at Grant Date $	Terms & Conditions for Each Grant Vesting Date
Mark Sumich	1,070,000	1,070,000	10/12/09	0.185	10/12/09
Julian Stephens	430,000	430,000	10/12/09	0.185	10/12/09
	1,500,000	1,500,000			

Value per share is approximately the market price at date of the grant.

Compensation Class A Performance shares granted during the year ended 30 June 2009

No compensation Class A Performance shares were granted to key management personnel during the year ended 30 June 2009.

DIRECTORS' REPORT

12. REMUNERATION REPORT – AUDITED (cont)

Compensation Class B Performance shares granted during the year ended 30 June 2010

	Vested No.	Granted No	Grant Date	Value per Share at Grant Date $	Terms & Conditions for Each Grant Vesting Date
Mark Sumich	2,140,000	2,140,000	10/12/09	0.185	10/12/09
Julian Stephens	860,000	860,000	10/12/09	0.185	10/12/09
	3,000,000	3,000,000			

Value per share is approximately the market price at date of the grant.

Compensation Class B Performance shares granted during the year ended 30 June 2009

No compensation Class B Performance shares were granted to key management personnel during the year ended 30 June 2009.

Compensation options granted during the year ended 30 June 2010

					Terms & Conditions for Each Grant		
	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date $	Exercise Price $	First Exercise Date	Last Exercise Date
Mark Sumich	1,000,000	1,000,000	17/07/09	0.134	0.15	17/07/09	17/07/13
David Sumich	600,000	600,000	17/07/09	0.134	0.15	17/07/09	17/07/13
Julian Stephens	600,000	600,000	17/07/09	0.134	0.15	17/07/09	17/07/13
Bradley Wynne	-	400,000	01/03/10	0.128	0.25	01/03/11	01/03/13
	2,200,000	2,600,000					

Exercise price equals the approximate market price at date of the grant.

All options were granted for nil consideration.

The value per option at grant date is determined by an independent valuation by corporate advisers using a Black-Scholes option pricing model.

Compensation options granted during the year ended 30 June 2009

No compensation Options were granted to key management personnel during the year ended 30 June 2009.

Performance income as a proportion of total income
No performance based bonuses have been paid to key management personnel during the year ended 30 June 2010.

Deferred equity entitlements resolved by the Board to incentivise Senior Managers are consistent with the Company's executive remuneration and retention policies.

DIRECTORS' REPORT

13. MEETINGS OF DIRECTORS

	Board of Directors	
Directors	Held	Attended
Mark Sumich	25	25
David Sumich	25	25
Julian Stephens	25	25
William Hayden	8	8

14. INDEMNIFYING OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

15. OPTIONS

At the date of this report, 3,150,000 unissued ordinary shares of the Company under option are as follows:

Expiry Date	Exercise Price	Number of Options
1 March 2013	25 cents	400,000
20 July 2013	15 cents	2,200,000
26 October 2013	25 cents	200,000
1 September 2014	30 cents	350,000

16. DEFERRED SHARE ENTITLEMENTS

At the date of this report, 9,125,000 unissued ordinary shares of the Company have been allocated as a deferred entitlement to employees and consultants of the Company for retention incentive and equity for services and to vendors of projects as follows:

	Number of shares
Retention incentive	6,525,000
Equity for services	2,600,000

Shares to be issued to employees will be issued on a periodic basis to 30 June 2012. Shares to be issued to vendors are dependent on milestones being achieved, as are the conversion of Performance Shares to fully paid ordinary shares.

17. PROCEEDINGS ON BEHALF OF COMPANY

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

The company was not a party to any such proceedings during the period.

18. AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 29 of the financial report.

DIRECTORS' REPORT

19. NON AUDIT SERVICES

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

– all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
– the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no fees paid for non-audit services to the external auditors during the year ended 30 June 2010.

Signed in accordance with a resolution of the Board of Directors.

Mark Sumich
Executive Chairman

Dated this 30th day of September 2010

MACK & CO.
CHARTERED ACCOUNTANTS
GROWTH SUCCESS WEALTH

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GLOBE METALS & MINING LIMITED

I declare that to the best of my knowledge and belief, during the year ended 30 June 2010, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Globe Metals & Mining Limited and the entities it controlled during the year.

mack & co

MACK & CO

N A CALDER
PARTNER
WEST PERTH

DATE: 30 SEPTEMBER 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

		Consolidated		Company	
	Note	**2010 $**	**2009 $**	**2010 $**	**2009 $**
Revenue from external parties for the use of resources in exploration activities	2	45,669	-	-	-
Interest income	2	136,365	275,328	520,764	921,559
Other income	2	1,380,671	199,818	1,380,971	1,135
Administrative expense		(1,566,068)	(676,416)	(565,728)	(191,664)
Share based payments	4,5	(1,420,253)	(264,153)	(1,420,253)	(264,153)
Employee benefits expense		(135,320)	(578,551)	(19,167)	(486,123)
Finance costs	3	(39,893)	(36,088)	(13,669)	(5,652)
Communications		(77,394)	(59,037)	(53,257)	(38,817)
Compliance and regulatory expenses		(298,565)	(301,496)	(197,727)	(198,424)
Occupancy expenses		(169,523)	(141,801)	(114,193)	(108,749)
Directors fees		(145,290)	(68,305)	(132,691)	(60,734)
Insurance expenses		(72,405)	(47,825)	(42,348)	(29,001)
Depreciation expense	3	(107,603)	(103,658)	(29,348)	(23,028)
Exploration expenditure written off	3	(241,540)	(1,275,864)	(205,923)	(388,912)
Provision for impairment of loans	3	-	-	(1,803,844)	(1,558,999)
Loss before income tax expense		**(2,711,149)**	**(3,078,048)**	**(2,696,413)**	**(2,431,562)**
Income tax expense	9	-	-	-	-
Loss for period		**(2,711,149)**	**(3,078,048)**	**(2,696,413)**	**(2,431,562)**
Other comprehensive income					
Foreign currency translation difference for foreign operations		490,475	600,779	-	-
Total comprehensive loss for the period		**(2,220,674)**	**(2,477,269)**	**(2,696,413)**	**(2,431,562)**
Basic and diluted loss per share calculated on loss for the period (cents per share)	22	(3.10)	(4.52)		

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	Consolidated 2010 $	Consolidated 2009 $	Company 2010 $	Company 2009 $
CURRENT ASSETS					
Cash and cash equivalents	10	2,317,651	2,839,185	2,284,951	2,531,814
Trade and other receivables	11	726,164	155,107	270,070	42,687
Other assets	12	67,251	51,981	6,995	31,629
TOTAL CURRENT ASSETS		3,111,066	3,046,273	2,562,016	2,606,130
NON CURRENT ASSETS					
Trade and other receivables	11	-	-	11,264,634	8,482,059
Exploration and evaluation expenditure	16	13,053,550	8,353,907	2,053,421	509,967
Other financial assets	14	80,000	80,000	561,997	554,763
Plant and equipment	13	332,943	311,548	40,767	60,620
TOTAL NON CURRENT ASSETS		13,466,493	8,745,455	13,920,819	9,607,409
TOTAL ASSETS		16,577,559	11,791,728	16,482,835	12,213,539
CURRENT LIABILITIES					
Trade and other payables	17	593,422	642,213	496,498	586,085
TOTAL CURRENT LIABILITIES		593,422	642,213	496,498	586,085
TOTAL LIABILITIES		593,422	642,213	496,498	586,085
NET ASSETS		15,984,137	11,149,515	15,986,337	11,627,454
EQUITY					
Issued capital	18	21,840,652	16,098,491	21,840,652	16,098,491
Reserves	19	3,169,992	1,366,382	2,510,970	1,197,835
Accumulated losses	19	(9,026,507)	(6,315,358)	(8,365,285)	(5,668,872)
TOTAL EQUITY		15,984,137	11,149,515	15,986,337	11,627,454

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Ordinary shares	Retained earnings	Share Based Payment reserves	Foreign exchange reserve	Total
	$	$	$	$	$
Consolidated Group					
Balance at 30 June 2008	**15,861,319**	**(3,237,310)**	**1,097,852**	**(432,232)**	**13,289,629**
Loss for period	-	(3,078,048)	-	-	(3,078,048)
Foreign currency translation differences	-	-	-	600,779	600,779
Total comprehensive income for the period	-	(3,078,048)	-	600,779	(2,477,269)
Transactions with owners, recorded directly in equity					
Share Based Payments	237,172	-	-	-	237,172
Options issued during period	-	-	99,983	-	99,983
Balance at 30 June 2009	**16,098,491**	**(6,315,358)**	**1,197,835**	**168,547**	**11,149,515**
Loss for period	-	(2,711,149)	-	-	(2,711,149)
Foreign currency translation differences	-	-	-	490,475	490,475
Total comprehensive income for the period	-	(2,711,149)	-	490,475	(2,220,674)
Transactions with owners, recorded directly in equity					
Shares issued during the year	5,200,000	-	-	-	5,200,000
Transaction costs	(385,340)	-	-	-	(385,340)
Share Based Payments	927,501	-	832,500	-	1,760,001
Options issued during period	-	-	480,635	-	480,635
Balance at 30 June 2010	**21,840,652**	**(9,026,507)**	**2,510,970**	**659,022**	**15,984,137**
The Company					
Balance at 30 June 2008	**15,861,319**	**(3,237,310)**	**1,097,852**	**-**	**13,721,861**
Loss for period	-	(2,431,562)	-	-	(2,431,562)
Foreign currency translation differences	-	-	-	-	-
Total comprehensive income for the period	-	(2,431,562)	-	-	(2,431,562)
Transactions with owners, recorded directly in equity					
Share Based Payments	237,172	-	-	-	237,172
Options issued during period	-	-	99,983	-	99,983
Balance at 30 June 2009	**16,098,491**	**(5,668,872)**	**1,197,835**	**-**	**11,627,454**
Loss for period	-	(2,696,413)	-	-	(2,696,413)
Foreign currency translation differences	-	-	-	-	-
Total comprehensive income for the period	-	(2,696,413)	-	-	(2,696,413)
Transactions with owners, recorded directly in equity					
Shares issued during the year	5,200,000	-	-	-	5,200,000
Transaction costs	(385,340)	-	-	-	(385,340)
Share Based Payments	927,501	-	832,500	-	1,760,001
Options issued during period	-	-	480,635	-	480,635
Balance at 30 June 2010	**21,840,652**	**(8,365,285)**	**2,510,970**	**-**	**15,986,337**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated 2010 $	Consolidated 2009 $	Company 2010 $	Company 2009 $
Cash Flows from Operating Activities					
- Payments to suppliers and employees		(2,360,729)	(1,878,971)	(1,839,811)	(864,900)
- Interest received		136,365	275,328	520,764	921,559
- Interest paid		(23,554)	(29,374)	(6,623)	(352)
- Sundry Income		45,670	69,426	214,838	1,459
- Payments for exploration and evaluation		(3,137,371)	(3,379,768)	(1,131,689)	(210,253)
Net cash provided/(used) in operating activities	23(a)	(5,339,619)	(4,943,359)	(2,242,521)	(152,487)
Cash Flows From Investing Activities					
- Loan to subsidiary		-	-	(2,934,994)	(4,488,090)
- Proceeds from sale of tenements		-	133,760	-	-
- Purchase of plant & equipment		(129,767)	(18,351)	(9,566)	(5,254)
- Proceeds from sale of plant & equipment		400	4,745	-	2,400
- Deposits paid		-	-	-	-
- Investment in subsidiary		-	-	(7,234)	(474,684)
Net cash provided/(used) in investing activities		(129,367)	120,154	(2,951,794)	(4,965,628)
Cash Flows from Financing Activities					
- Proceeds from issue of shares and options		5,200,000	-	5,200,000	-
- Capital raising costs of shares and options		(252,548)	-	(252,548)	-
Net cash provided by financing activities		4,947,452	-	4,947,452	-
Net decrease in cash held		(521,534)	(4,823,205)	(246,863)	(5,118,115)
Cash and cash equivalents at beginning of financial year		2,839,185	7,735,647	2,531,814	7,649,929
Effects of exchange rate changes on cash		-	(73,257)	-	-
Cash and cash equivalents at end of Financial year	23(b)	2,317,651	2,839,185	2,284,951	2,531,814

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Globe Metals & Mining Limited for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of directors on 30 September 2010.

This financial report includes the consolidated financial statements and notes of Globe Metals & Mining Limited and controlled entities ('Consolidated Entity' or 'Group'), and the separate financial statements and notes of Globe Metals & Mining Limited as an individual parent entity ('Parent Entity').

Globe Metals & Mining Limited is a listed public company, trading on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia.

The financial report of Globe Metals & Mining Limited and controlled entities, and Globe Metals & Mining Limited as an individual parent entity, comply 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 following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation and Going Concern Basis

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on the going concern basis. As at 30 June 2010 the consolidated entity had net assets of $15,984,137 and continues to incur expenditure on its exploration tenements drawing on its cash balances. As at 30 June 2010 the consolidated entity had $2,317,651 in cash and cash equivalents. The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest. Ultimate exploitation of the assets will depend on raising necessary funding in the future. At this time the directors are of the opinion that no asset is likely to be realised for an amount less than the amount in the financial report. Accordingly there has been no adjustment in the financial report relating to the recoverability and classification of the asset carrying amounts, or the amounts and classification of liabilities that might be necessary, should the consolidated entity be unable to raise capital as and when required, and the exploitation of the areas of interest not be successful, or the consolidated entity not continue as a going concern.

a. Significant accounting estimates, judgments and assumptions

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) Share based payment transactions

The consolidated entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using an appropriate valuation model.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

a. Significant accounting estimates, judgments and assumptions (cont)

(ii) Impairment of exploration and evaluation assets and investments in and loans to subsidiaries

The ultimate recoupment of the value of exploration and evaluation assets, the company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

(iii) Income tax expenses

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised.

(iv) Classification of investments

The group has decided to classify investments in listed securities as available for sale. These securities are accounted for at fair value. Any increments or decrements in their value at year end are charged or credited to the statement of comprehensive income.

Exploration and Evaluation Assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of interest are current and either:

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

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

An impairment exists when the carrying amount of capitalised exploration and evaluation expenditure relating to an area of interest exceeds its recoverable amount. The asset is then written down to its recoverable amount. Any impairment losses are recognised in the statement of comprehensive income.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment and depreciated over the life of the mine.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Where applicable, such costs are determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

b. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Globe Metals & Mining Limited ('company' or 'parent entity') as at 30 June 2009 and the results of all controlled entities for the year then ended. Globe Metals & Mining Limited and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 15 to the financial statements.

c. Impairment

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of comprehensive income or asset revaluation reserve in the period in which the impairment arises.

(ii) Exploration and Evaluation Assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount at the reporting date.

Exploration and evaluation assets are tested for impairment in respect of cash generating units, which are no larger than the area of interest to which the assets relate.

(iii) Non-financial Assets Other Than Exploration and Evaluation Assets

The carrying amounts of the Consolidated Entity's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(iii) Non-financial Assets Other Than Exploration and Evaluation Assets (cont)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units, then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exits. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

d. Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the comprehensive statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period (s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Taxation

Current and deferred tax is recognised as an expense or income in the Statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax Consolidation

Globe Metals & Mining Limited and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under tax consolidation legislation.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

e. Rehabilitation, Restoration and Environmental Costs

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with current environmental and regulatory requirements.

The costs will include obligations relating to reclamation, waste site closure, plant closure and other costs associated with the restoration of the site, when relevant.

Full provision is made based on the net present value of the estimated cost of restoring the environment disturbance that has been incurred as at the balance date. Increases due to additional environmental disturbance (to the extent that it relates to the development of an asset) are capitalised and amortised over the remaining lives of the mines.

Annual increases in provision relating to the change in the present value of the provision are accounted for in earnings.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

f. Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Impairment

The carrying amounts of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets vary from 20% to 40%.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

g. Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

iv. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

v. *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

g. Financial Instruments (cont)

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

— the likelihood of the guaranteed party defaulting in a year period;
— the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
— the maximum loss exposed if the guaranteed party were to default.

h. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

i. Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

j. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues.

k. Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

m. Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sake, are measured at fair value. Gains or losses on investments held for trading are recognised in the statement of comprehensive income.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Securities Exchange quoted market bid prices at the close of business on the statement of financial position date.

n. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outlay 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.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

o. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other 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.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

p. Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

q. Equity Settled Compensation

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transaction").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an independent valuation by corporate advisers using a Black-Scholes option pricing model.

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the 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.

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

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

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

r. Issued Capital

Ordinary shares are classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

s. Foreign Currency Translation

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 and presentation 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. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

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

Group companies

The financial results and position of foreign operations whose functional currency is different from the group’s presentation currency are translated as follows:

– assets and liabilities are translated at year-end exchange rates prevailing at that reporting date:
– income and expenses are translated at average exchange rates for the period; and
– retained profits are translated at the exchange rate prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group’s foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed

t. Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the group will not be able to collect the debt.

u. Presentation Currency

The presentation currency is Australian dollars.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated		Company	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
2. REVENUE FROM CONTINUING ACTIVITIES				
Other revenue				
- Revenue from external parties for the use of resources in exploration activities	45,669	-	-	-
- Interest received from other persons	136,365	275,328	520,764	921,559
- Gain on disposal of tenements	-	133,760	-	-
- Other income	1,380,671	66,058	1,380,971	1,135
	1,562,705	475,146	1,901,735	922,694

3. EXPENSES

Loss from operations before income tax has been determined after the following specific expenses:

	Consolidated 2010 $	Consolidated 2009 $	Company 2010 $	Company 2009 $
Capitalised exploration expenditure written off	241,540	1,275,864	205,923	388,912
Depreciation	107,603	103,658	29,348	23,028
Finance Costs				
- Bank Charges	8,402	6,714	6,658	5,300
- Interest Expense	23,554	29,374	(35)	352
- Other	7,937	-	7,046	-
	39,893	36,088	13,669	5,652
Impairment of non-current assets for loan write down	-	-	1,803,844	1,558,999

NOTES TO THE FINANCIAL STATEMENTS

4. KEY MANAGEMENT PERSONNEL DISCLOSURES

Remuneration policy

The remuneration policy of Globe Metals & Mining Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific long-term incentives based on key performance areas affecting the economic entity's financial results. The board of Globe Metals & Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the economic entity.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are independently valued by corporate advisers using the Black-Scholes method.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $150,000). Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Performance based remuneration

The Company has no performance based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and director's and executive's remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Company believes the policy will be effective in increasing shareholder wealth. For details of directors and executives interests in options at year end, refer note 4 of the financial statements.

Employment contracts of key management personnel

Details of service agreements between key management personnel and Globe Metals & Mining Limited are on the following pages.

NOTES TO THE FINANCIAL STATEMENTS

4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)
Compensation of key management personnel for the period ended 30 June 2010

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL
	Salary & Fees	Cash Bonus	Non Monetary	Super-annuation	Retirement Benefits	Equity	Options	$
Directors								
Mark Sumich Executive Chairman (appointed Chairman 01/10/09)								
2010	300,135	-	-	20,262	-	593,850	134,000	1,048,247
2009	246,667	-	-	22,200	-	-	-	268,867
Julian Stephens Executive Director								
2010	170,833	-	-	15,375	-	277,450	80,400	544,058
2009	150,000	-	-	13,500	-	25,000	-	188,500
David Sumich Non-Executive Director (resigned as Chairman 01/10/09)								
2010	35,333	-	-	3,180	-	-	80,400	118,913
2009	45,000	-	-	4,050	-	-	-	49,050
William Hayden Non-Executive (appointed 12 December 2009)								
2010	22,361	-	-	-	-	-	-	22,361
2009	-	-	-	-	-	-	-	-
Peter van der Borgh Technical Director (non executive)								
2010	-	-	-	-	-	-	-	-
2009 (resigned 15/12/08)	26,934	-	-	2,424	-	-	-	29,358
Total remuneration directors								
2010	528,662	-	-	38,817	-	871,300	294,800	1,733,579
2009	468,601	-	-	42,174	-	25,000	-	535,775

NOTES TO THE FINANCIAL STATEMENTS

4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)

	SHORT-TERM BENEFITS			POST EMPLOYMENT		SHARE-BASED PAYMENT		TOTAL
	Salary & Fees	Cash Bonus	Non Monetary	Super-annuation	Retirement Benefits	Equity	Options	$
Specified Executives								
Bradley Wynne Chief Financial Officer and Company Secretary (appointed 04/03/10)								
2010	53,333	-	-	4,800	-	-	51,062	109,195
2009	-	-	-	-	-	-	-	-
Bruce Franzen Company Secretary (resigned 06/01/09)								
2010	-	-	-	-	-	-	-	-
2009	(i)94,293	-	-	-	-	20,000	-	114,293
Dean Scarparolo Company Secretary (appointed 06/01/09 and resigned 20/04/09)								
2010	-	-	-	-	-	-	-	-
2009	(ii)47,246	-	-	-	-	-	(iii)-	47,246
Lloyd Flint Company Secretary (appointed 20/04/09 and resigned 30/12/09)								
2010	(iv)46,125	-	-	-	-	-	-	46,125
2009	(iv)8,000	-	-	-	-	-	-	8,000
Stephen Hewitt-Dutton Company Secretary (appointed 30/12/09 and resigned 04/03/10)								
2010	(v)23,733	-	-	-	-	-	-	23,733
2009	-	-	-	-	-	-	-	-
Total remuneration specified executives								
2010	123,191	-	-	4,800	-	-	51,062	179,053
2009	149,539	-	-	-	-	20,000	-	169,539

i. An aggregate amount of $94,293 was paid, or was due and payable to Zen Magnolia Pty Ltd, a company of which Mr Bruce Franzen is a director, for the provision of company secretarial and accounting services to the Company.

ii. An aggregate amount of $47,246 was paid to DMC Mining Limited, a company of which Mr Scarparolo was an employee and which contracted out the services of Mr Scarparolo, who filled the position of Company Secretary on a part time basis.

iii. Mr Scarparolo was issued options in September 2008 which were cancellable should he resign his position in the Company. No benefit was received from the options which were cancelled on his resignation on 20 April 2009.

iv. An aggregate amount of $46,125 (2009: $8,000) was paid to Citadel Capital Pty Ltd which contracted out the services of Mr Flint, who filled the position of Company Secretary on a part time basis.

v. An aggregate amount of $23,733 was paid to Trident Management Services Pty Ltd which contracted out the services of Mr Hewitt-Dutton, who filled the position of Company Secretary on a part time basis.

NOTES TO THE FINANCIAL STATEMENTS

4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)

Compensation shares granted during the year ended 30 June 2010

	Vested No.	Granted No	Grant Date	Value per Share at Grant Date $	Terms & Conditions for Each Grant Vesting Date
Julian Stephens	250,000	250,000	21/07/09	0.08	21/07/09
Julian Stephens	200,000	200,000	21/07/09	0.094	21/07/09
	450,000	450,000			

Value per share is approximately the market price at date of approval of the grant.

Compensation shares granted during the year ended 30 June 2009

	Vested No.	Granted No	Grant Date	Value per Share at Grant Date $	Terms & Conditions for Each Grant Vesting Date
Julian Stephens	250,000	250,000	15/12/08	0.10	15/12/08
Bruce Franzen	200,000	200,000	15/12/08	0.10	15/12/08
	450,000	450,000			

Value per share is approximately the market price at date of the grant.

Compensation Class A Performance shares granted during the year ended 30 June 2010

	Vested No.	Granted No	Grant Date	Value per Share at Grant Date $	Terms & Conditions for Each Grant Vesting Date
Mark Sumich	1,070,000	1,070,000	10/12/09	0.185	10/12/09
Julian Stephens	430,000	430,000	10/12/09	0.185	10/12/09
	1,500,000	1,500,000			

Value per share is approximately the market price at date of the grant.

Compensation Class A Performance shares granted during the year ended 30 June 2009

No compensation Class A Performance shares were granted to key management personnel during the year ended 30 June 2009.

NOTES TO THE FINANCIAL STATEMENTS

4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)

Compensation Class B Performance shares granted during the year ended 30 June 2010

	Vested No.	Granted No	Grant Date	Value per Share at Grant Date $	Terms & Conditions for Each Grant Vesting Date
Mark Sumich	2,140,000	2,140,000	10/12/09	0.185	10/12/09
Julian Stephens	860,000	860,000	10/12/09	0.185	10/12/09
	3,000,000	3,000,000			

Value per share is approximately the market price at date of the grant.

Compensation Class B Performance shares granted during the year ended 30 June 2009

No compensation Class B Performance shares were granted to key management personnel during the year ended 30 June 2009.

Compensation options granted during the year ended 30 June 2010

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date $	Terms & Conditions for Each Grant: Exercise Price $	First Exercise Date	Last Exercise Date
Mark Sumich	1,000,000	1,000,000	17/07/09	0.134	0.15	17/07/09	17/07/13
David Sumich	600,000	600,000	17/07/09	0.134	0.15	17/07/09	17/07/13
Julian Stephens	600,000	600,000	17/07/09	0.134	0.15	17/07/09	17/07/13
Bradley Wynne	-	400,000	01/03/10	0.128	0.25	01/03/11	01/03/13
	2,200,000	2,600,000					

Exercise price equals the approximate market price at date of the grant.

All options were granted for nil consideration.

The value per option at grant date is determined by an independent valuation by corporate advisers using a Black-Scholes option pricing model.

Compensation options granted during the year ended 30 June 2009

No compensation Options were granted to key management personnel during the year ended 30 June 2009.

Performance income as a proportion of total income

No performance based bonuses were paid to key management personnel during the year ended 30 June 2010 ($nil : 2009).

NOTES TO THE FINANCIAL STATEMENTS

4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)

(a) Details of key management personnel

The following persons were specified directors of Globe Metals & Mining Limited during the financial year:-

Mark Sumich	Executive Chairman (appointed Chairman 1 October 2009)
David Sumich	Non-Executive Director (resigned as Chairman 1 October 2009)
William Hayden	Non-Executive Director (appointed 12 November 2009)
Dr Julian Stephens	Executive Director – Exploration

(b) Remuneration policy of key management personnel

The objective of the Company's executive reward framework is set to attract and retain the most qualified and experienced directors and senior executives. The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness
- Acceptability to shareholders
- Performance linkage
- Capital management

Non Executive Directors

The constitution of the Company provides that the non-executive directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in a general meeting (currently $150,000). The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The remuneration policy has been tailored to increase goal congruence between shareholders and directors. Currently, this is facilitated through the issue of free options to directors to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing wealth.

Directors fees

A director may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Service agreements

Mr Sumich became an employee of the Company from 1 July 2007 and entitled to receive a fixed remuneration arrangement. This is to be reviewed on an annual basis.

The employment may be terminated by the Company or Mr Mark Sumich by giving the other 4 weeks notice in writing. Alternatively, the employment may be terminated by the Company providing compensation instead of the period of notice required. Termination payments due are four weeks in lieu of notice if the termination period is not worked out. Termination payments are not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time. Any options issued as remuneration not exercised before or on the date of termination will lapse.

Retirement benefits

Other retirement benefits may be provided directly by the Company if approved by shareholders.

	Consolidated		**Company**	
	2010	**2009**	**2010**	**2008**
	$	**$**	**$**	**$**
Short term	528,662	468,601	528,662	468,601
Post employment	38,817	42,174	38,817	42,174
Share-based payment	1,166,100	25,000	1,166,100	25,000
	1,733,579	535,775	1,733,579	535,775

NOTES TO THE FINANCIAL STATEMENTS

4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)
(c) Option holdings of key management personnel

2010	Balance at beginning period	Granted as Remuneration	Exercised	Bought, (Sold), (expired)	Balance at 30 June 2010	Total Vested at 30 June 2010	Total Exercisable at 30 June 2010
David Sumich	500,000	600,000	-	(500,000)	600,000	600,000	600,000
Mark Sumich	1,000,000	1,000,000	-	(1,000,000)	1,000,000	1,000,000	1,000,000
William Hayden	-	-	-	-	-	-	-
Julian Stephens	250,000	600,000	-	(250,000)	600,000	600,000	600,000
Bradley Wynne	-	400,000	-	-	400,000	-	-
	1,750,000	2,600,000	-	(1,750,000)	2,600,000	2,200,000	2,200,000

2009	Balance at beginning period	Granted as Remuneration	Exercised	Bought, (Sold), (expired)	Balance at 30 June 2009	Total Vested at 30 June 2009	Total Exercisable at 30 June 2009
David Sumich	1,100,000	-	-	(600,000)	500,000	500,000	500,000
Mark Sumich	2,200,000	-	-	(1,200,000)	1,000,000	1,000,000	1,000,000
Peter van der Borgh	700,000	-	-	(i) (700,000)	-	-	-
Julian Stephens	-	-	-	250,000	250,000	250,000	250,000
	4,000,000	-	-	(2,250,000)	1,750,000	1,750,000	1,750,000

(i) Peter van der Borgh resigned from the board on 15 December 2008, and as a result his option holding has lapsed.

(d) Shareholdings of key management personnel in listed fully paid ordinary shares

2010	Balance at beginning period	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30 June 2010
David Sumich	1,237,500	-	-	-	1,237,500
Mark Sumich	6,327,500	-	-	-	6,327,500
William Hayden	-	-	-	76,923	76,923
Julian Stephens	280,236	650,000	-	-	930,236
Bradley Wynne	-	-	-	-	-
	7,845,236	650,000	-	76,923	8,572,159

2009	Balance at beginning period	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30 June 2009
David Sumich	1,237,500	-	-	-	1,237,500
Mark Sumich	6,327,500	-	-	-	6,327,500
Peter van der Borgh	400,000	-	-	(i) (400,000)	-
Julian Stephens	-	-	-	(i) 280,236	280,236
	7,965,000	-	-	(119,764)	7,845,236

(i) Peter van der Borgh resigned from the board on 15 December 2008 and Dr Julian Stephens was appointed to the board on 24 December 2008.

NOTES TO THE FINANCIAL STATEMENTS

4. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)

(e) Shareholdings of key management personnel in unlisted Class A Performance shares

2010	Balance at beginning period	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30 June 2010
David Sumich	-	-	-	-	-
Mark Sumich	-	1,070,000	-	-	1,070,000
William Hayden	-	-	-	-	-
Julian Stephens	-	430,000	-	-	430,000
Bradley Wynne	-	-	-	-	-
	-	1,500,000	-	-	1,500,000

No Class A Performance shares were issued during the year to 30 June 2009.

(f) Shareholdings of key management personnel in unlisted Class B Performance shares

2010	Balance at beginning period	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30 June 2010
David Sumich	-	-	-	-	-
Mark Sumich	-	2,140,000	-	-	2,140,000
William Hayden	-	-	-	-	-
Julian Stephens	-	860,000	-	-	860,000
Bradley Wynne	-	-	-	-	-
	-	3,000,000	-	-	3,000,000

No Class B Performance shares were issued during the year to 30 June 2009

(g) Loans to key management personnel

There were no unsecured loans to key management personnel outstanding at 30 June 2010 ($nil : 2009).

NOTES TO THE FINANCIAL STATEMENTS

5. SHARE BASED PAYMENTS

There are shares and options issued to employees as part of their compensation under the company's Employee Share Option Plan. Options are independently valued by corporate advisers using the Black-Scholes method

Compensation shares granted during the year ended 30 June 2010

Personnel	Vested No.	Granted No.	Grant Date	Value per Share at Grant Date $	Terms & Conditions for Each Grant Vesting Date
Vendors	250,000	250,000	21/07/09	0.17	21/07/09
Employees	537,500	537,500	21/07/09	0.08 and 0.17	21/07/09
Creditor	133,333	133,333	04/08/09	0.15	04/08/09
Creditor	350,000	350,000	29/09/09	0.26	29/09/09
Employees	122,424	122,424	30/09/09	0.08 and 0.27	30/09/09
Creditor	83,077	83,077	30/09/09	0.26	30/09/09
Employees	37,500	37,500	27/10/09	0.08	27/10/09
Vendor	1,907,000	1,907,000	27/10/09	0.26	27/10/09
Creditor	77,663	77,663	10/11/09	0.26	10/11/09
Employees	12,500	12,500	01/12/09	0.08	01/12/09
Vendor	301,840	301,840	01/12/09	0.20	01/12/09
Vendor	100,000	100,000	10/12/09	0.19	10/12/09
Employees	214,659	214,659	08/02/10	0.08 and 0.21	08/02/10
Creditors	230,275	230,275	19/03/10	0.20	19/03/10
Employees	30,898	30,898	14/04/10	0.08 and 0.206	14/04/10
	4,388,669	4,388,669			

Value per share is approximately the market price at date of the grant.

All shares were granted subject to the attainment of performance and/or employment continuity criteria.

Compensation shares granted during the year ended 30 June 2009

Personnel	Vested No.	Granted No.	Grant Date	Value per Share at Grant Date $	Terms & Conditions for Each Grant Vesting Date
Employees	230,000	230,000	15/12/08	0.11	15/12/08
Employees	25,000	25,000	07/01/09	0.125	07/01/09
Employees	100,000	100,000	06/04/09	0.18	06/04/09
Creditors	300,000	300,000	30/04/09	0.10	30/04/09
Employees	37,500	37,500	30/04/09	0.08	30/04/09
Creditors	200,000	200,000	30/04/09	0.10	14/05/09
Employees	466,250	1,205,000	30/04/09	0.08 and 0.14	30/06/09 to 31/12/10
	1,358,750	2,097,500			

Value per share is approximately the market price at date of the grant.

All shares were granted subject to the attainment of performance and/or employment continuity criteria.

NOTES TO THE FINANCIAL STATEMENTS

5. SHARE BASED PAYMENTS (cont)
Compensation options granted during the year ended 30 June 2010

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date $	Terms & Conditions for Each Grant Exercise Price $	First Exercise Date	Last Exercise Date
Employees & Consultants							
Employees	2,200,000	2,200,000	17/07/09	0.1340	0.15	17/07/09	17/07/13
Consultants	350,000	350,000	30/09/09	0.1943	0.26	30/09/09	01/09/14
Consultants	200,000	200,000	26/10/09	0.1615	0.25	26/10/09	26/10/13
Consultants	-	200,000	26/10/09	0.1748	0.25	26/10/09	26/10/14
Employees	-	200,000	01/03/10	0.1277	0.25	01/03/11	01/03/13
Employees	-	200,000	01/03/10	0.1277	0.25	01/03/12	01/03/13
	2,750,000	3,350,000					

Exercise price equals the approximate market price at date of the grant.

All options were granted for nil consideration.

The value per option at grant date is determined by an independent valuation by corporate advisers using a Black-Scholes option pricing model.

Compensation options granted during the year ended 30 June 2009

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date $	Terms & Conditions for Each Grant Exercise Price $	First Exercise Date	Last Exercise Date
Employees & Consultants							
Employees	75,000	75,000	22/09/08	0.1248	0.35	15/09/09	15/09/11
Employees	-	75,000	22/09/08	0.1248	0.35	15/09/10	15/09/11
	75,000	150,000					

Exercise price equals the approximate market price at date of the grant.

All options were granted for nil consideration.

The value per option at grant date is determined by an independent valuation by corporate advisers using a Black-Scholes option pricing model.

NOTES TO THE FINANCIAL STATEMENTS

5. SHARE BASED PAYMENTS (cont)
Options Cancelled
250,000 options with an exercise price of $0.30 per share expiring 14/08/09 were cancelled during the year ended 30 June 2010.
200,000 options with an exercise price of $0.75 per share expiring 24/03/10 were cancelled during the year ended 30 June 2010.
100,000 options with an exercise price of $0.75 per share expiring 04/06/10 were cancelled during the year ended 30 June 2010.
150,000 options with an exercise price of $1.00 per share expiring 25/06/10 were cancelled during the year ended 30 June 2010.
500,000 options with an exercise price of $0.88 per share expiring 30/06/10 were cancelled during the year ended 30 June 2010.
2,000,000 options with an exercise price of $0.88 per share expiring 30/06/10 were cancelled during the year ended 30 June 2010.

Options Exercised
No compensation options were exercised during the reporting period ended 30 June 2010 (2009: nil).

6. RELATED PARTY DISCLOSURES
(a) Parent entity
The ultimate parent entity within the Group is Globe Metals & Mining Limited.

(b) Wholly-owned group transactions
Loans
Globe Metals & Mining Limited has provided an unsecured, interest bearing loan to its wholly owned subsidiary, Globe Uranium (Argentina) S.A totalling $805,320 ($805,320: 2009) at balance date. A provision of $805,320 ($805,320: 2009) has been offset against this loan being a provision in full ($805,320: 2009). There were no repayments made during the year.

Globe Metals & Mining Limited has provided an unsecured, interest bearing loan to its wholly owned subsidiary, Globe Metals & Mining (Africa) Limited totalling $11,318,769 ($9,773,769: 2009) at balance date. A provision of $2,313,717 ($1,291,710: 2009) has been offset against this loan leaving a net amount owing of $9,005,052 ($8,482,059: 2009). There were no repayments made during the year.

Globe Metals & Mining Limited has provided an unsecured, interest bearing loan to its wholly owned subsidiary, Globe Metals & Mining (Exploration) Limited totalling $3,041,418 (nil: 2009) at balance date. A provision of $781,838 (nil: 2009) has been offset against this loan leaving a net amount owing of $2,259,580 (nil: 2009). There were no repayments made during the year.

(c) Key management personnel
Disclosures relating to key management personnel are set out in note 4 and the Directors' Report.

7. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES
No dividends were paid during the year. No recommendation for payment of dividends has been made.

	Consolidated		Company	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
8. AUDITORS' REMUNERATION				
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	70,500	59,500	70,500	59,500
- Other services	-	-	-	-
Remuneration of other auditors of subsidiaries for:				
- Auditing or reviewing the financial report	32,052	49,626	-	-
- Other services	1,121	-	-	-
	103,673	109,126	70,500	59,500

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2010 $	Consolidated 2009 $	Company 2010 $	Company 2009 $
9. INCOME TAX EXPENSE				
a. The components of tax expense comprise:				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
	-	-	-	-
b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:				
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2009: 30%)	(813,345)	(923,414)	(808,925)	(729,469)
Add:				
Tax effect of:				
- Non-deductible expenses	532,476	-	532,476	-
- Temporary differences not recognised	(125,914)	-	384,012	-
- Overseas losses not recognised	-	767,951	-	-
- Provision for impairment of group borrowings	-	-	-	467,700
- Provision for impairment of group investments	-	-	-	60,914
- Share based payments	-	79,246	-	79,246
- Other deferred tax balances not recognised	-	211,528	-	211,528
- Tax loss brought to account as a deferred tax asset	145,280	-	(18,966)	-
- Other non-allowable items	147,142	7,567	145,589	7,567
	(114,361)	142,878	234,186	97,486
Less:				
Tax effect of:				
- Effect of higher rate of tax on overseas loss	-	45,392	-	-
- Recoupment of prior year revenue losses not previously recognised	-	34,410	234,186	34,410
- Exploration and evaluation expenditure deductible for income tax purposes not recognised	-	63,076	-	63,076
- Adjustment in respect to previous deferred income tax	(114,361)	-	-	-
Income tax	-	-	-	-
The applicable weighted average effective tax rates are as follows:	0%	0%	0%	0%

NOTES TO THE FINANCIAL STATEMENTS

		Consolidated		Company	
		2010	2009	2010	2009
		$	$	$	$
c.	The following deferred tax balances have not been recognised:				
	Deferred Tax Assets:				
	At 30%:				
	Carry forward revenue losses	536,565	636,856	536,565	636,856
	Capital raising costs	-	92,410	-	92,410
	Financial assets	-	96,000	-	96,000
	Foreign exchange	-	114,361	-	114,361
	Property, plant and equipment	-	7,459	-	7,459
	Provisions and accruals	-	29,001	-	29,001
	Other	-	128	-	128
		536,565	976,215	536,565	976,215
	At 35% (Argentina):				
	Carry forward overseas losses	-	381,108	-	-
	At 30% (Malawi):				
	Carry forward overseas losses	-	557,304	-	-

The tax benefits of the above Deferred Tax Assets will only be obtained if:

(a) the group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the group continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the group in utilising the benefits.

	Consolidated 2010 $	Consolidated 2009 $	Company 2010 $	Company 2009 $
Deferred Tax Liabilities				
At 30%:				
Exploration Expenditure	-	152,990	-	152,990
Other	-	3,212	-	3,212
	-	156,202	-	156,202

The above Deferred Tax Liabilities have not been recognised as they have given rise to the carry forward revenue and foreign losses for which the Deferred Tax Asset has not been recognised.

The Deferred Tax Liability for exploration expenditure included in the comparative year has been re-stated to correctly reflect deferred tax relating to foreign exploration expenditure.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated		Company	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
10. CASH AND CASH EQUIVALENTS				
Cash at bank	1,114,651	1,222,385	1,081,951	915,014
Short term bank deposits	1,203,000	1,616,800	1,203,000	1,616,800
	2,317,651	2,839,185	2,284,951	2,531,814

The cash at bank held at the year end is held in cash and short term deposits and paid interest at a rate on average between 1.75% and 6.0%.

	Consolidated		Company	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
11. TRADE AND OTHER RECEIVABLES				
Current				
GST Receivable	28,755	53,543	28,755	39,290
Trade Debtors	386,227	-	26,408	-
Tax Receivable	288,468	-	214,907	-
VAT Receivable	22,467	-	-	-
Other debtors	247	101,564	-	3,397
	726,164	155,107	270,070	42,687
Non current				
VAT Receivable	-	99,746	-	-
Loan – Globe Uranium (Argentina) S.A.	-	-	805,320	805,320
Loan – Globe Metals & Mining (Africa) Limited	-	-	11,318,769	9,773,768
Loan – Globe Metals & Mining (Exploration) Limited	-	-	3,041,418	-
Provision for Impairment	-	(99,746)	(3,900,873)	(2,097,029)
	-	-	11,264,634	8,482,059

Terms and conditions relating to the above financial instruments.

1. Trade debtors are non-interest bearing and generally on 30 days terms.
2. Related party receivables are interest bearing and have no fixed repayment terms.
3. Other receivables are non-interest beading and have repayment terms between 30 and 90 days.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated		Company	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
12. OTHER ASSETS				
Current				
Prepayments	25,049	43,169	-	22,936
Accrued Interest	6,995	8,812	6,995	8,693
Deposits	4,439	-	-	-
Geological Inventory	30,768	-	-	-
	67,251	51,981	6,995	31,629
13. PLANT AND EQUIPMENT				
Plant and Equipment				
At Cost	595,4720	479,147	121,762	112,970
Accumulated depreciation	(262,527)	(167,599)	(80,995)	(52,350)
	332,943	311,548	40,767	60,620

Movements in carrying amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the period.

	Consolidated		Company	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
Plant and equipment				
Carrying amount at the beginning of the period	311,548	375,745	60,620	83,098
Additions/(Disposals)	128,998	39,461	9,495	550
Depreciation expense	(107,603)	(103,658)	(29,348)	(23,028)
Carrying amount at end of the period	332,943	311,548	40,767	60,620
14. OTHER FINANCIAL ASSETS				
Non current				
Investments – shares	80,000	80,000	80,000	80,000
Investment in subsidiary	-	-	685,041	677,807
Impairment provision	-	-	(203,044)	(203,044)
	80,000	80,000	561,997	554,763

15. INTERESTS IN CONTROLLED ENTITIES

(a) Controlled entities consolidated

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 1(a):

Name	Country of Incorporation	Class of Shares	Equity Holding *
Globe Uranium (Argentina) S.A.	Argentina	Ordinary	100%
Globe Metals & Mining (Africa) Limited	Malawi	Ordinary	100%
Globe Metals & Mining (Exploration) Limited	Malawi	Ordinary	100%

* Percentage of voting power is in proportion to ownership.

(b) Newly Incorporated Entity

During the course of the financial year ended 30 June 2010, Globe Metals & Mining Limited incorporated Globe Metals & Mining (Exploration) Limited.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated		Company	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
16. EXPLORATION AND EVALUATION EXPENDITURE				
Non-Current				
Costs carried forward in respect of areas of interest in:				
Exploration and evaluation phases – at cost	13,053,550	8,353,907	2,053,421	509,967
Brought forward	8,353,907	6,250,208	509,967	688,626
Consideration for the exploration assets acquired during the period - at valuation	651,258	-	651,258	-
Consideration for the exploration assets disposed during the period	-	-	-	-
Exploration expenditure capitalised during the year	4,289,925	3,379,563	1,098,119	210,253
Exploration expenditure written off	(241,540)	(1,275,864)	(205,923)	(388,912)
At reporting date	13,053,550	8,353,907	2,053,421	509,967

The value of the economic entity's interest in exploration expenditure is dependent upon:

– the continuance of the economic entity's rights to tenure of the areas of interest;
– the results of future exploration; and
– the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The economic entity's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to indigenous people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

	Consolidated		Company	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
17. TRADE AND OTHER PAYABLES				
Current				
Trade creditors (unsecured)	245,976	171,740	215,900	164,947
Other creditors and accruals	217,490	423,772	157,079	374,437
Provision for Annual Leave	129,956	46,701	123,519	46,701
	593,422	642,213	496,498	586,085

Terms and conditions relating to the above financial instruments.

1. Trade creditors are non-interest bearing and generally on 30 day terms.
2. Other creditors are non-interest bearing have no fixed repayment terms.

NOTES TO THE FINANCIAL STATEMENTS

18. ISSUED CAPITAL

	Consolidated				**Company**			
	2010		**2009**		**2010**		**2009**	
	$	**Number**	**$**	**Number**	**$**	**Number**	**$**	**Number**
Fully paid ordinary shares	21,840,652	93,791,871	16,098,491	69,403,202	21,840,652	93,791,871	16,098,491	69,403,202
	21,840,652	93,791,871	16,098,491	69,403,202	21,840,652	93,791,871	16,098,491	69,403,202

(a) Movements in fully paid ordinary shares on issue:

	Consolidated				**Company**			
	2010		**2009**		**2010**		**2009**	
	$	**Number**	**$**	**Number**	**$**	**Number**	**$**	**Number**
At beginning of reporting period:								
	16,098,491	69,403,202	15,861,319	67,594,452	16,098,491	69,403,202	15,861,319	67,594,452
Placement of shares at $0.26 each	5,200,000	20,000,000	-	-	5,200,000	20,000,000	-	-
Share Based Payments (Refer Note 5)	927,501	4,388,669	-	-	927,501	4,388,669	-	-
Vesting during this period	-	-	29,947	-	-	-	29,947	-
15 December 2009	-	-	74,800	680,000	-	-	74,800	680,000
7 January 2009	-	-	3,125	25,000	-	-	3,125	25,000
6 April 2009	-	-	18,000	100,000	-	-	18,000	100,000
30 April 2009	-	-	33,000	337,500	-	-	33,000	337,500
14 May 2009	-	-	20,000	200,000	-	-	20,000	200,000
30 June 2009	-	-	58,300	466,250	-	-	58,300	466,250
Less: Capital Raising Expenses	(385,340)	-	-	-	(385,340)	-	-	-
Balance at end of reporting period	21,840,652	93,791,871	16,098,491	69,403,202	21,840,652	93,791,871	16,098,491	69,403,202

NOTES TO THE FINANCIAL STATEMENTS

18. ISSUED CAPITAL (cont)
Management of Share Capital
The Directors primary objectivity is to maintain a capital structure that ensures the lowest cost of capital available to the group. At balance date, the group has no external borrowings.

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

(b) Movements in Class A Performance Shares on issue:

	Consolidated				Company			
	2010		2009		2010		2009	
	$	Number	$	Number	$	Number	$	Number
At beginning of reporting period:	-	-	-	-	-	-	-	-
Movement during the period:								
Issued during period	277,500	1,500,000	-	-	277,500	1,500,000	-	-
Balance at end of reporting period	277,500	1,500,000	-	-	277,500	1,500,000	-	-

(c) Movements in Class B Performance Shares on issue:

	Consolidated				Company			
	2010		2009		2010		2009	
	$	Number	$	Number	$	Number	$	Number
At beginning of reporting period:	-	-	-	-	-	-	-	-
Movement during the period:								
Issued during period	555,000	3,000,000	-	-	555,000	3,000,000	-	-
Balance at end of reporting period	555,000	3,000,000	-	-	555,000	3,000,000	-	-

(d) Movements in options on issue:

	Consolidated				Company			
	2010		2009		2010		2009	
	$	Number	$	Number	$	Number	$	Number
At beginning of reporting period:	1,197,835	3,200,000	1,097,852	5,850,000	1,197,835	3,200,000	1,097,852	5,850,000
Movement during the period:								
Option Reserve (Refer Note 4, 5)	480,635	3,150,000	99,983	150,000	480,635	3,150,000	99,983	150,000
Less: Options expired/cancelled during the year	-	(3,200,000)	-	(2,800,000)	-	(3,200,000)	-	(2,800,000)
Less: Options exercised during the year	-	-	-	-	-	-	-	-
Balance at end of reporting period	1,678,470	3,150,000	1,197,835	3,200,000	1,678,470	3,150,000	1,197,835	3,200,000

(e) Terms of Ordinary Shares

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

At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

At the end of reporting period, there are 93,791,871 issued shares as follows:

– 93,791,871 listed ordinary shares.

(f) Terms of Class A Performance Shares

Class A Performance shares do not participate in dividends or the proceeds on winding up of the Company.

A holder is not entitled to vote on any resolutions proposed at a general meeting of the Company other than in the following circumstances: (i) on a proposal to reduce the Company's share capital; (ii) on a resolution to approve the terms of a buy-back agreement; (iii) on a proposal that affects the rights attached to Class A Performance Shares; (iv) on a proposal to wind up the Company; (v) on a proposal for the disposal of the whole of the Company's property, business and undertaking; and (vi) during the winding up of the Company.

At the end of reporting period, there are 1,500,000 Class A Performance shares as follows:

– 1,500,000 Class A Performance shares.

(g) Terms of Class B Performance Shares

Class B Performance shares do not participate in dividends or the proceeds on winding up of the Company.

A holder is not entitled to vote on any resolutions proposed at a general meeting of the Company other than in the following circumstances: (i) on a proposal to reduce the Company's share capital; (ii) on a resolution to approve the terms of a buy-back agreement; (iii) on a proposal that affects the rights attached to Class A Performance Shares; (iv) on a proposal to wind up the Company; (v) on a proposal for the disposal of the whole of the Company's property, business and undertaking; and (vi) during the winding up of the Company.

At the end of reporting period, there are 3,000,000 Class B Performance shares as follows:

– 3,000,000 Class A Performance shares.

(h) Terms of Options

At the end of reporting period, there are 3,150,000 options over unissued shares as follows:

– 2,200,000 unlisted options, exercisable at $0.15 on or before 20 July 2013: and
– 350,000 unlisted options , exercisable at $0.30 on or before 1 September 2014: and
– 200,000 unlisted options , exercisable at $0.25 on or before 26 October 2013: and
– 400,000 unlisted options, exercisable at $0.25 on or before 1 March 2013.

NOTES TO THE FINANCIAL STATEMENTS

19. RESERVES & ACCUMULATED LOSSES

	Consolidated		Company	
	2010 $	2009 $	2010 $	2009 $
(a) Reserves				
Option Reserve	1,678,470	1,197,835	1,678,470	1,197,835
Equity Settled Benefits Reserve	832,500	-	832,500	-
Foreign Currency Translation Reserve	659,022	168,547	-	-
	3,169,992	1,366,382	2,510,970	1,197,835
Option Reserve				
Balance at beginning of financial period	1,197,835	1,097,852	1,197,835	1,097,852
Option expense (Refer Note 4, 5)	480,635	99,983	480,635	99,983
Balance at end of financial period	1,678,470	1,197,835	1,678,470	1,197,835
Equity Settled Benefits Reserve				
Balance at beginning of financial period	-	-	-	-
Equity benefit expense (Refer Note 4, 5)	832,500	-	832,500	-
Balance at end of financial period	832,500	-	832,500	-
Foreign Currency Translation Reserve				
Balance at beginning of financial period	168,547	(432,232)	-	-
Exchange difference Loss/(Gain)	490,475	600,779	-	-
Balance at end of financial period	659,022	168,547	-	-
(b) Accumulated losses				
Accumulated losses at the beginning of the financial period	(6,315,358)	(3,237,310)	(5,668,872)	(3,237,310)
Net loss attributable to members	(2,711,149)	(3,078,048)	(2,696,413)	(2,431,562)
Accumulated losses at the end of the financial period	(9,026,507)	(6,315,358)	(8,365,285)	(5,668,872)

The option reserve records items recognised as expenses on valuation of employee share options.

The equity settled benefits reserve records items recognised as expenses on valuation of performance shares.

The foreign currency translation reserve is used to record increments and decrements in the fair value of exchange differences.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The economic entity's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the economic entity. The economic entity also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the period under review, it has been the economic entity's policy not to trade in financial instruments

The main risks arising from the economic entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

Interest Rate Risk

The economic entity is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The economic entity does not have short or long term debt, and therefore this risk is minimal.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the economic entity. The economic entity has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The economic entity does not have any significant credit risk exposure to any single counterparty or any economic entity of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the economic entity's maximum exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont)

Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the group's measurement currency. Refer to Note 19 for further details.

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate short term cash facilities are maintained.

Trade and other payables are as follows:

	Consolidated		**Company**	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
Less than 1 month	410,993	507,756	320,506	451,628
Less than 2 months	38,093	87,712	38,093	87,712
Less than 3 months	144,336	46,745	137,899	46,745
	593,422	642,213	496,498	586,085

21. FINANCIAL INSTRUMENTS

(i) Interest rate risk exposures

The Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

		Fixed interest maturing in				
	Floating interest rate	1 year or less	Over 1 year less than 5	More than 5 years	Non-Interest bearing	Total
2010	$	$	$	$	$	$
Financial Assets						
Cash at bank	1,114,651	-	-	-	-	1,114,651
Term deposit	-	1,203,000	-	-	-	1,203,000
Trade & other receivables	-	-	-	-	726,164	726,164
	1,114,651	1,203,000	-	-	726,164	3,043,815
Weighted Average Interest Rate	3.3%	5.7%	-	-	-	-
Financial Liabilities						
Trade & other creditors	-	-	-	-	(593,422)	(593,422)
	-	-	-	-	(593,422)	(593,422)
Weighted Average Interest Rate	-	-	-	-	-	-
Net financial assets (liabilities)	1,114,651	1,203,000	-	-	132,742	2,450,393

NOTES TO THE FINANCIAL STATEMENTS

21. FINANCIAL INSTRUMENTS (cont)

(ii) Interest rate risk exposures (cont)

		Fixed interest maturing in				
	Floating interest rate	1 year or less	Over 1 year less than 5	More than 5 years	Non-Interest bearing	Total
2009	$	$	$	$	$	$
Financial Assets						
Cash at bank	1,222,385	-	-	-	-	1,222,385
Term deposit	-	1,616,800	-	-	-	1,616,800
Trade & other receivables	-	-	-	-	155,107	155,107
	1,222,385	1,616,800			155,107	2,994,292
Weighted Average Interest Rate	2.9%	6.1%	-	-	-	-
Financial Liabilities						
Trade & other creditors	-	-	-	-	(642,213)	(642,213)
	-	-	-	-	(642,213)	(642,213)
Weighted Average Interest Rate	-	-	-	-	-	-
Net financial assets (liabilities)	1,222,385	1,616,800	-	-	(487,106)	2,352,079

(iii) Financial assets

Trade receivables from other entities are carried at nominal amounts less any provision for doubtful debts.

Other receivables are carried at nominal amounts due. Interest is taken up as income on an accruals basis.

(iv) Financial liabilities

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity.

(v) Equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

(vi) Sensitivity analysis

The group has performed a sensitivity analysis in relation to interest income and movements in interest rates on financial assets and liabilities. The analysis highlights the effect on the current year's results and equity pre tax which would have resulted from movement in interest rates with all other variables remaining constant.

	Consolidated		**Company**	
	2010 **$**	**2009** **$**	**2010** **$**	**2009** **$**
Change in loss				
- increase in interest rate by 1%	(23,177)	(28,392)	(22,825)	(25,318)
- decrease in interest rate by 1%	23,177	28,392	22,825	25,318
Change in equity				
- increase in interest rate by 1%	23,177	28,392	22,825	25,318
- decrease in interest rate by 1%	(23,177)	(28,392)	(22,825)	(25,318)

(vii) Credit risk exposures

The credit risk on financial assets of the economic entity has been recognised on the statement of financial position and is generally the carrying amount net of any provisions for doubtful debts.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into.

NOTES TO THE FINANCIAL STATEMENTS

(viii) Net fair value of financial assets and liabilities
The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

	Consolidated	
	2010	**2009**
	$	**$**
22. EARNINGS PER SHARE		
(a) Loss used in the calculation of basic earnings per share	(2,711,149)	(3,078,048)
	Number of Shares	Number of Shares
(b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share:	87,458,258	68,083,784
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted earnings per share:	92,979,217	72,288,579

	Consolidated		Company	
	2010	**2009**	**2010**	**2009**
	$	**$**	**$**	**$**
23. CASH FLOW INFORMATION				
(a) Reconciliation of cash flow from operations with loss after tax				
- Loss after income tax	(2,711,149)	(3,078,048)	(2,696,413)	(2,431,562)
Non-cash flows in loss from operations				
- Depreciation	107,603	103,658	29,348	23,028
- Foreign exchange movement	315,710	(57,896)	-	-
- Provision for bad and doubtful debts	-	99,746	-	-
- Provision for impairment	-	-	1,803,844	1,558,999
- Equity based payments	1,420,253	337,153	1,420,253	337,153
- Asset Fair Value Adjustment	241,540	60,000	205,923	263,044
- Net Loss on disposal of fixed assets	(369)	5,349	(69)	2,306
- Net gain on TGL settlement	-	-	(1,166,133)	-
- Net gain on disposal of tenements	-	(133,760)	-	-
Changes in assets and liabilities				
- (Increase)/decrease in receivables and prepayments	(586,328)	53,138	(206,263)	44,306
- (Increase)/decrease in exploration and evaluation expenditure	(4,078,088)	(2,103,699)	(1,543,454)	178,659
- Increase/(decrease) in trade and other creditors and accruals	(48,791)	(229,000)	(89,557)	(128,420)
Net cash outflows from Operating Activities	(5,339,619)	(4,943,359)	(2,242,521)	(152,487)
(b) Reconciliation of cash and cash equivalents				
Cash and cash equivalents comprises:				
- cash at bank in hand	1,114,651	1,222,385	1,081,951	915,014
- Short-term	1,203,000	1,616,800	1,203,000	1,616,800
	2,317,651	2,839,185	2,284,951	2,531,814

(c) Acquisition of Entity

2010
During the financial year, the Company acquired all of the shares in Globe Metals & Mining (Exploration) Limited, an entity incorporated in Malawi.

NOTES TO THE FINANCIAL STATEMENTS

23. CASH FLOW INFORMATION (cont)

(d) Non-cash financing and investing activities

During the year non cash financing activities consisted of the issue of 3,433,188 ordinary shares to creditors in settlement of amounts due and payable and 955,481 ordinary shares issued to staff, consultants in lieu of salaries and services and for staff retention purposes.

(e) Credit Standby Arrangements with Banks

There was no bank overdraft facility as at 30 June 2010 (nil: 30 June 2009).

24. COMMITMENTS

(a) Exploration commitments

In order to maintain current rights of tenure to mining tenements, the economic entity has the following discretionary exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	Consolidated	
	2010	2009
	$	$
Not longer than one year	2,235,597	178,198
Longer than one year, but not longer than five years	1,407,117	74,774
Longer than five years	-	-
	3,642,714	252,972

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

(b) Lease expenditure commitments

	Consolidated	
	2010	2009
	$	$
Not longer than one year	68,621	57,174
Longer than one year, but not longer than five years	42,469	88,816
Longer than five years	-	-
	111,090	145,990

The Company has entered into a 3 year lease on commercial terms for office accommodation at Ground Floor Suite 3, 16 Ord St West Perth WA on expiring 29 Jan 2012.

The office accommodation in Malawi rented by Globe Metals & Mining (Africa) Limited operates on a 3 month notice period.

NOTES TO THE FINANCIAL STATEMENTS

25. SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance.

Operating segments are identified by Management based on the mineral resource and exploration activities in Australia, Argentina and Africa. Discrete financial information about each project is reported to the chief operating decision maker on a regular basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

The consolidated entity has three reportable segments based on the geographical areas of the mineral resource and exploration activities in Australia, Argentina and Africa. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

	Australia	Argentina	Africa	Total
	$	$	$	$
(i) Segment performance				
Twelve months ended 30 June 2010				
Revenue				
Interest revenue	136,365	-	-	136,365
Other revenue	214,907	-	1,166,133	1,381,040
Revenue from external party for use of resource in the mining exploration activities	-	-	318,355	318,355
Total segment revenue	**351,272**	**-**	**1,484,488**	**1,835,760**
Reconciliation of segment result to group net profit / (loss) before tax				
Amounts not included in segment result but reviewed by the Board:				
Exploration expenditure written off	-	-	(241,540)	(241,540)
Depreciation expense	(29,348)	-	(78,255)	(107,603)
Unallocated items:				
Other revenue				(231,183)
Other expenses				(3,966,583)
Net loss before tax from continuing operations				**(2,711,149)**
(ii) Segment assets				
As at 30 June 2010				
Segment assets	2,702,635	1,615	9,152,272	11,856,522
Segment asset increase for the period:				
Exploration expenditure	-	-	4,699,643	4,699,643
Plant and equipment	(19,851)	-	41,245	21,394
	2,682,784	**1,615**	**13,893,160**	**16,577,559**
Reconciliation of segment assets to group assets				
Unallocated assets				
Other assets				-
Total group assets				**16,577,559**

NOTES TO THE FINANCIAL STATEMENTS

25. SEGMENT INFORMATION (cont)

	Australia $	Argentina $	Africa $	Total $
(iii) Segment liabilities				
As at 30 June 2010				
Segment liabilities	-	-	-	-
Reconciliation of segment liabilities to group liabilities				
Other liabilities				593,422
Total group liabilities				**593,422**
(iv) Segment performance				
Twelve months ended 30 June 2009				
Revenue				
Interest revenue	275,328	-	-	275,328
Revenue from external party for use of resource in the mining exploration activities	-	-	69,426	69,426
Total segment revenue	**275,328**	**-**	**69,426**	**344,754**
Reconciliation of segment result to group net profit / (loss) before tax				
Amounts not included in segment result but reviewed by the Board:				
Exploration expenditure written off	-	(885,132)	(390,732)	(1,275,864)
Depreciation expense	(23,028)	-	(80,630)	(103,658)
Unallocated items:				
Other revenue				30,393
Other expenses				(2,073,673)
Net loss before tax from continuing operations				**(3,078,048)**
(v) Segment assets				
As at 30 June 2009				
Segment assets	8,134,012	1,861	6,625,953	14,761,826
Segment asset increase for the period:				
Exploration expenditure	-	-	2,103,699	2,103,699
Plant and equipment	-	-	(64,197)	(64,197)
	8,134,012	**1,861**	**8,665,455**	**16,801,328**
Reconciliation of segment assets to group assets				
Unallocated assets				
Other assets				(5,009,600)
Total group assets				**11,791,728**

NOTES TO THE FINANCIAL STATEMENTS

25. SEGMENT INFORMATION (cont)

	Australia $	Argentina $	Africa $	Total $
(vi) Segment liabilities				
As at 30 June 2009				
Segment liabilities	-	-	-	-
Reconciliation of segment liabilities to group liabilities				
Other liabilities				642,213
Total group liabilities				**642,213**

The Company operated in several geographical segments, being Australia, Argentina and Africa, and in one industry, minerals mining and exploration.

26. EVENTS SUBSEQUENT TO REPORTING DATE

No other matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

27. CONTINGENT LIABILITIES

In the opinion of the directors there were no contingent liabilities at 30 June 2010 (nil: 30 June 2009), and the interval between 30 June 2010 and the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

28. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. In this regard, its impact on the Group will be unable to be determined. The following changes to accounting requirements are included:
  - acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
  - contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
  - a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
  - there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Group's policy);
  - dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
  - impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
  - where there is, in substance, no change to Group interests, parent entities inserted above existing Groups shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the statement of financial position of the original parent at the date of reorganisation.

  The Group will need to determine whether to maintain its present accounting policy of calculating goodwill acquired based on the parent entity's share of net assets acquired or change its policy so goodwill recognised also reflects that of the non-controlling interest.

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's Board for the purposes of decision making. While the impact of this standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic levels at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management does not presently believe impairment will result however.

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Group. If an entity has made a prior period adjustment or reclassification, a third statement of financial position as at the beginning of the comparative period will be required.

NOTES TO THE FINANCIAL STATEMENTS

28. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (cont)

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Group as a policy of capitalising qualifying borrowing costs has been maintained by the Group.

- AASB 2008-1: Amendments to Australian Accounting Standard — Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

- AASB 2008-2: Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.

- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB’s annual improvements project. No changes are expected to materially affect the Group.

- AASB 2008-8: Amendments to Australian Accounting Standards — Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the Group.

- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners be measured at the lower of carrying value and fair value less costs to distribute.

- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of ‘construction contract’ per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of ‘construction contract’, revenue is to be accounted for in accordance with AASB 118. Management does not believe that this will represent a change of policy to the Group.

- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the Group.

- AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group’s financial statements.

DIRECTORS' DECLARATION

The directors of Globe Metals & Mining Limited declare that:

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

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the Company and economic entity;

2. the Chief Executive Officer has declared that:

   (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
   (c) the financial statements and notes for the financial year give a true and fair view;

3. in the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Mark Sumich
Executive Chairman

Dated 30th day of September 2010

MACK & CO.
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDIT REPORT
TO MEMBERS OF
GLOBE METALS & MINING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Globe Metals & Mining Ltd (the Company) and the consolidated entity, which comprises the statement of financial position as at 30 June 2010, and statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a. the financial report of Globe Metals & Mining Ltd is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2010 and of their performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b. the financial report also complies with International financial Reporting Standards as disclosed in Note 1.

Going concern

Without qualification to the statement expressed above, as noted in note 1, the directors are of the opinion that the company and the consolidated group are able to continue as going concerns and be able to pay their debts as and when they fall due and realise their assets and extinguish their liabilities in the normal course of business and at amounts stated in the year end financial report. The financial report of the Group do not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company and/or the Group not continue as going concerns.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report under the heading "Remuneration Report – Audited" for the year ended 30 June 2010.

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.

Auditor's Opinion

In our opinion the remuneration report of Globe Metals & Mining Ltd and the consolidated entity for the year ended 30 June 2010 complies with section 300A of the Corporations Act 2001

MACK & CO

N A CALDER
PARTNER
WEST PERTH

DATE: 30 SEPTEMBER 2010

ADDITIONAL SHAREHOLDER INFORMATION

Shareholding
The distribution of members and their holdings of equity securities in the company as at 30 September 2010 was as follows:

Class of Equity Securities

Number Held as at 15 September 2010	Fully Paid Ordinary Shares
1-1,000	111
1,001 - 5,000	469
5,001 – 10,000	304
10,001 - 100,000	745
100,001 and over	127
TOTALS	1,756

Holders of less than a marketable parcel: 166

Substantial Shareholders
The names of the substantial shareholders listed in the Company's register as at 30 September 2010.

Shareholder	Number
HSBC Custody Nominees Australia Ltd	7,108,916
Ragusa Investments Pty Ltd	6,327,500
JP Morgan Nominees Australia Ltd	5,975,243

Voting Rights
Ordinary Shares
In accordance with the Company's Constitution, on a show of hands every member present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Twenty Largest Shareholders
The names of the twenty largest ordinary fully paid as at 30 September 2010 are as follows:

Name	Number of Ordinary Fully Paid Shares Held	Held of Issued Ordinary Capital %
HSBC Custody Nominees Australia Limited	7,108,916	7.55
Ragusa Investments Pty Ltd	6,327,500	6.72
JP Morgan Nominees Australia Ltd	5,975,243	6.34
Burlington Enterprises Pty Ltd	2,270,925	2.41
Banskin Pty Ltd	1,375,000	1.46
Citicorp Nominees Pty Ltd	1,369,673	1.45
Qantamatics Pty Ltd	1,241,388	1.32
Tantalo Pty Ltd	1,107,336	1.18
Cadex Petroleum Pty Ltd	1,100,000	1.17
Nefco Nominees Pty Ltd	1,000,000	1.06
Andrew Kennedy	900,000	0.96
Yoon Enterprises Pty Ltd	887,017	0.94
Monticone Investments Pty Ltd	847,500	0.90
Tirol Investments Pty Ltd	837,500	0.89
Colin Robert Searle	824,898	0.88
Jean-Claude Desille	760,000	0.81
Iana Pty Ltd	751,111	0.80
RJ Swan Nominees Pty Ltd	625,000	0.66
Michael Schultz	615,000	0.65
Murray Broun	608,570	0.65
TOTAL	36,532,577	38.80

ADDITIONAL SHAREHOLDER INFORMATION

Unquoted Securities

The Company has issued the following unquoted securities:

Class of Equity Security	Number	Number of Security Holders
Class A Performance Shares	1,500,000	2
Class B Performance Shares	3,000,000	2
1 March 2013 Options - $0.25	400,000	1
20 July 2013 Options - $0.15	2,200,000	3
26 October 2013 Options - $0.25	200,000	1
1 September 2014 Options - $0.35	350,000	1

There are no voting rights attached to the options.

CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at www.asx.com.au/supervision/issuers/corporate_governance_requirements_monitoring.htm .

Principle	ASX Corporate Governance Council Recommendations	Comply
1	**Lay solid foundations for management and oversight**	
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	Yes
1.3	Provide the information indicated in the Guide to reporting on principle 1.	Yes
2	**Structure the Board to add value**	
2.1	A majority of the board should be independent directors.	No
2.2	The chair should be an independent director.	No
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	No
2.4	The board should establish a nomination committee.	No
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes
2.6	Provide the information indicated in the Guide to reporting on principle 2.	Yes
3	**Promote ethical and responsible decision-making**	
3.1	Establish a code of conduct and disclose the code or a summary as to:	Yes
	• the practices necessary to maintain confidence in the company's integrity;	
	• the practices necessary to take into account the company's legal obligations and the reasonable expectations of its stakeholders; and	
	• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	
3.2	Establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary.	Yes
3.3	Provide the information indicated in the Guide to reporting on principle 3.	Yes
4	**Safeguard integrity in financial reporting**	
4.1	The board should establish an audit committee.	No
4.2	The audit committee should be structured so that it:	No
	• consists only of non-executive directors;	
	• consists of a majority of independent directors;	
	• is chaired by an independent chair, who is not chair of the board; and	
	• has at least three members.	
4.3	The audit committee should have a formal charter	Yes
4.4	Provide the information indicated in the Guide to reporting on principle 4.	Yes
5	**Make timely and balanced disclosure**	

CORPORATE GOVERNANCE

5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes
5.2	Provide the information indicated in the Guide to reporting on principle 5.	Yes
6	**Respect the rights of shareholders**	
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	Yes
6.2	Provide the information indicated in the Guide to reporting on principle 6.	Yes
7	**Recognise and manage risk**	
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes
7.3	The board should disclose whether it had received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes
7.4	Provide the information indicated in the Guide to reporting on principle 7.	Yes
8	**Remunerate fairly and responsibly**	
8.1	The board should establish a remuneration committee.	No
8.2	Clearly distinguish the structure on non-executive directors' remuneration from that of executive directors and senior executives.	Yes
8.3	Provide the information indicated in the Guide to reporting on principle 8.	Yes

Council Principle 1:

Lay solid foundations for management and oversight

Role of the Board

The Board's primary role is the protection and enhancement of medium to long term shareholder value.
To fulfil this role, the Board is responsible for the overall Corporate Governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Responsibility of the Board

The Board is collectively responsible for promoting the success of the Company by:

- supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed
- ensuring the Company is properly managed
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- approval of the annual budget;
- monitoring the financial performance of the Company;
- approving and monitoring financial and other reporting;

CORPORATE GOVERNANCE

- overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
- liaising with the Company's external auditors as appropriate; and
- monitoring, and ensuring compliance with, all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities. Between regular meetings it will also ensure that important matters are addressed by way of circular resolutions.

The Board may, from time to time, delegate some of the responsibilities listed above to its senior management team.

Materiality threshold

The Board has agreed on both quantitative and qualitative guidelines for assessing the materiality of matters. Qualitative indications of materiality would include if:

- they impact on the reputation of the Company;
- they involve a breach of legislation;
- they are outside the ordinary course of business;
- they could affect the Company's rights to its assets; or
- if accumulated they would trigger the quantitative tests.

The Chairman

The chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The chairman is also responsible for chairing shareholder meetings and arranging Board performance evaluation.

The Managing Director

The managing director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out his/her responsibilities the managing director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results. The managing director is also responsible for overall shareholder communication in conjunction with the chairman.

Role and responsibility of management

The role of management is to support the managing director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Management is responsible for reporting all matters which fall within the Materiality Threshold at first instance to the managing director or if the matter concerns the managing director then directly to the chairman or the lead independent director, as appropriate.

Relationship of Board with management

Management of the day-to-day business of the Company is to be conducted by or under the supervision of the Board, and by those other officers and employees to whom the management function is properly delegated by the Board.

The Board will adopt appropriate structures and procedures to ensure that the Board functions independently of management. Appropriate procedures may involve the Board meeting on a regular basis without management present, or may involve expressly assigning the responsibility for administering the Board's relationship to management to a Committee of the Board.

Information is formally presented to the Board at Board meetings by way of Board reports and review of performance to date. When directors are providing information about opportunities for the Company, this should always be through the Board.

CORPORATE GOVERNANCE

Council Principle 2

Structure the board to add value

The Company presently has two executive directors and one non-executive Chairman (Mr David Sumich), who is independent in terms of the ASX Corporate Governance Council's definition of an independent director.

The Board believes that the Chairman is able and does bring quality and independent judgment to all relevant issues falling within the scope of the role of a Chairman. The Board considers that its structure has been and continues to be appropriate in the context of the company's current projects and operations. The Company considers that each director possesses skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations evolve, and appoint independent directors as appropriate.

The Company has not established a nomination committee, believing that the Company is not currently of a size to justify its formation.

Council Principle 3:

Promote ethical and responsible decision-making.

The Company complies with this recommendation. The company has adopted a code of conduct incorporating all corporate executives. It requires all business affairs to be conducted legally, ethically and with integrity. The code provides for reporting of breach of the code by others. The code of conduct has been made available on the company's website.

The Board has adopted a policy and procedure on dealing in the Company's securities by directors, officers and employees which:
- prohibits dealing in the Company's securities whilst in possession of insider information;
- prevents short term trading in the Company's securities;
- requires the company secretary or a director (other than the director trading, if applicable) to be notified upon a trade occurring; and
- prevents dealing in the Company's securities during specified blackout periods.

Council Principle 4:

Safeguard integrity in financial reporting.

The Company's Managing Director and Chief Financial Officer report in writing to the Board that the consolidated financial statements of the Company and its controlled entities for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards.

The Company has not established an audit committee believing that the Company is not of a size, nor are its financial affairs of such complexity to warrant its establishment. The Board as a whole fulfils the role of an audit committee by:

- Monitoring the integrity of the financial statements of the Company, and reviewing significant financial reporting judgments.
- Reviewing the Company's internal financial control system and risk management systems.
- Reviewing the appointment of the external auditor and approving the remuneration and terms of engagement.
- Monitoring and reviewing the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements.

CORPORATE GOVERNANCE

Council Principle 5:

Make timely and balanced disclosure

Compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. It has appointed an officer of the Company to be responsible for compliance.

Council Principle 6:

Respect the rights of shareholders

Information will be communicated to shareholders as follows:

- The annual report is distributed to shareholders. The Board ensures that the annual report includes relevant information about the operations of the consolidated entity during the year, changes in the state of affairs of the consolidated entity and details of future developments, in addition to the other disclosures required by the Corporations Act. The annual report is made available on the Company's website, and is provided in hard copy format to any shareholder who requests it.
- The half-yearly report contains summarised financial information and a review of the operations of the consolidated entity during the period. The half-year audited financial report is prepared in accordance with the requirements of applicable Accounting Standards and the Corporations Act and is lodged with the Australian Securities Exchange. The half-yearly report is made available on the Company's website, and is sent to any shareholder who requests it.
- The quarterly report contains summarised cash flow financial information and details about the Company's activities during the quarter. The quarterly report is made available on the Company's website, and is sent to any shareholder who requests it.
- Proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a general meeting of shareholders.
- The Company's website is well promoted to shareholders and shareholders may register to receive updates, either by email or in hard copy.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors and changes to the constitution. Copies of the constitution are available to any shareholder who requests it.

Company's website

The Company maintains a website at www.globemetalsandmining.com.au

On its website, the Company makes the following information available on a regular and up to date basis:

- company announcements;
- latest information briefings;
- notices of meetings and explanatory materials;
- quarterly, half yearly and annual reports.

The website is being continuously updated with any information the directors and management may feel is material.

The Company also ensures that the audit partner attends the Annual General Meeting.

CORPORATE GOVERNANCE

Council Principle 7:

Recognise and manage risk

The Company has developed a framework for risk management and internal compliance and control systems which covers organisational, financial and operational aspects of the Company's affairs. It appoints the managing director as being responsible for ensuring that the systems are maintained and complied with.

Council Principle 8:

Remunerate fairly and responsibly

The Board believes the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company and considers it more appropriate to set time aside at board meetings to specifically address matters that would ordinarily fall to the remuneration committee.

SCHEDULE OF MINERAL TENEMENTS
AS AT 30 SEPTEMBER 2010

Project	Tenement		Interest held by Globe Metals & Mining Limited
Kanyika (Malawi – granted)	EPL0188		100%
Livingstonia (Malawi – granted)	EPL0187		100% (i)
Salimbidwe (Malawi – granted)	EPL0289		100%
Machinga (Malawi – granted)	EPL0230		0% (ii)
Monte Muambe (Mozambique – granted)	570L		0% (iii)

(i) The Company has entered into a joint venture agreement with Resource Star Limited (ASX: RSL), whereby RSL can earn up to 80% interest in the tenement.
(ii) The Company has entered into a joint venture agreement with Resource Star Limited (ASX: RSL), whereby the Company can earn up to 80% interest in the tenement.
(iii) The Company has entered into an agreement with Bala Usokoti Limitada, whereby the Company can earn up to 90% interest in the tenement.

P Prospecting Licence
E Exploration Licence
M Mining Licence
Mining Licence