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ASX/Media Announcement

Strategic Partnership with East China Mineral Exploration and Development Bureau (ECE) & A\$41m Fund Raising

Highlights

- **Globe and ECE to enter into a strategic partnership**
- **A\$41m investment in Globe for a 51% equity stake @ \$0.345/share**
- **ECE committed to assisting Globe in securing project funding for the Kanyika Niobium Project from Chinese banks and funds**
- **China accounts for ~35% of all ferro-niobium (FeNb) consumption; >50% of growth; <3% of production**
- **Globe set to become the world's fourth major producer of FeNb – production scheduled to commence in late 2013**
- **Transaction subject to shareholder and Chinese, Australian and Malawian government approvals – completion expected January 2011**

Globe is delighted to announce that it has entered into a binding agreement to form a strategic partnership with East China Mineral Exploration and Development Bureau (ECE), a Chinese State-Owned Enterprise.

Globe's Executive Chairman, Mr. Mark Sumich, said "We welcome ECE as the new majority shareholder in Globe. This strategic partnership brings a number of important benefits to Globe:

- **Immediate capital** for completion of the bankable feasibility study into the Kanyika Niobium Project, as well as funding for Globe's exploration projects.
- **Access to the Chinese capital markets**, in particular relevant Chinese banks and funds, which will be critical in securing project finance for the Kanyika Niobium Project (capex. ~\$150m).
- **Access to the Chinese steel mills**, the consumers of FeNb.
- **Access to ECE's mining, metallurgical and exploration expertise.**

The strategic partnership with ECE provides Globe's shareholders with a compelling package to take the Kanyika Niobium Project through the development, financing, construction and production phases, as well as funding for our early-stage projects, all via our majority shareholder. It therefore enables Globe to continue and complete its transition from an exploration and development company, into a profitable mining company. I unequivocally recommend the transaction to my shareholders."



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ECE's Director General, Mr. Shao Yi, said "The joint approach of ECE with Globe is a win-win co-operation based on a highly complementary affinity between our two companies. This is mainly reflected in three ways: first, the enormous demand in China for metals will be the right target market for the highly prospective resources owned by Globe; second, the great expertise of ECE will be helpful to the projects being undertaken by Globe in their various stages of development; and lastly, ECE's assistance in securing abundant financial support will ensure Globe is able to fully explore and develop its projects."

"ECE will strictly comply with the laws and regulations of Australia, and use its best endeavours to assist Globe in financing, exploring and developing its projects."

"We look forward to working together with Globe in the pursuit of maximizing the benefits for all shareholders."

About ECE

ECE is a major Chinese mineral exploration, development and mining group based in Nanjing, which has been in operation since 1955. It has over 4,000 employees and is one of the few organisations authorised by the Chinese Government to carry out geological exploration and scientific research in major State classified projects.

ECE is comprised of 8 subsidiary geological exploration and scientific research institutions, a post-doctoral research station, a business research and development centre and 22 companies which specialise in the field of mining, engineering and drilling.

ECE has discovered more than 160 ore deposits in China with a potential value in excess of \$10 billion. The discoveries include Meishan iron ore, Qixiashan lead-zinc, Fujian Meishan zinc-lead, Yunnan Boka gold-copper and Anhui Matou copper-molybdenum. In addition, ECE has several mines and refining operations including Youxi Jindong lead-zinc mine and refining operations, Fujian Taiyangshan gold mine, Yunan Boka gold mine, and Anhui Matou copper-molybdenum mine. ECE also holds a significant interest in the Australian rare earths company, Arafura Resources (ASX: ARU).

Transaction Summary

- The investment by ECE will be made via its wholly-owned Hong Kong subsidiary, Jiangsu Eastern China Non-Ferrous Metals Investment Holding Co. Ltd, and in turn via its wholly-owned Australian subsidiary, AO-Zhong International Mineral Resources Pty Ltd, which will hold the newly issued shares in Globe.
- ECE will subscribe for 118,143,062 fully paid ordinary shares in Globe at a price of A\$0.345 per share. This will result in ECE holding 51% of the fully diluted capital in Globe¹.
- ECE nominees to hold a majority of positions on Globe's board of directors, and the reconstituted board to not exceed a total of seven directors.
- The transaction is subject to a number of conditions precedent, including the approval of the governments of Malawi (Minister of Natural Resources, Energy and Environment) Australia (Treasurer, under the FIRB Act) and China (Jiangsu Development and Reform Commission, authorised by the National Development and Reform Commission), as well as the shareholders of both Globe and ECE. An extraordinary general meeting of Globe's shareholders is expected to take place in January 2011 for final approval of the transaction.
- ECE has completed its due diligence into Globe, which included legal, financial and technical aspects.

¹ Based upon the number of securities on issue as at 31 December 2011 being 113,510,00, excluding the shares to be issued to ECE, being the sum of the currently issued securities in Globe, agreements currently in place to issue securities prior to 31 December 2011 and securities likely to be issued up to and upon completion of the transaction. The latter may include shares to be issued prior to completion for working capital purposes and performance and consulting shares to be issued conditional upon completion of the transaction.

Kanyika Niobium Project – Project Finance

As part of the subscription agreement with ECE, Globe has requested ECE to assist Globe in securing the project finance for the Kanyika Niobium Project, which ECE has agreed to. Both parties are confident that the necessary funding can be secured from a range of possible sources, not limited to China.

The immediate objective of Globe and ECE is to secure letters of intent from potential financiers, being conditional offers of finance, subject to Globe meeting the normal project milestones, including a positive feasibility study, the grant of a mining licence, environmental approvals and binding product off-take agreements.

Preliminary discussions with potential financiers in China have already taken place.

About Globe Metals & Mining Limited

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

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

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

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