



Update: Kanyika Niobium Project

Globe Metals & Mining (“**Globe**” or “**the Company**”; ASX: GBE) is pleased to provide a progress update in relation to the Kanyika Niobium Project’s Definitive Feasibility Study (DFS) – planned for completion in Q3 2012. Construction is scheduled to commence in 2013 and production in 2014.

Resource

The Kanyika JORC Mineral Resource totals 60 Mt and contains a higher-grade component of 21 Mt at 4,100ppm Nb₂O₅, with significant additional valuable minerals including tantalum, uranium and zircon (refer Table 1 and 2). The Project will be mined at an initial rate of 1.5 Mtpa for a mine life of 20 years.

Coffey Mining has been engaged to prepare the mine plan and mining reserve estimate. The estimate will be completed as the Project cost profile is developed. Preliminary discussions have been held with potential contractors with mining to be based on a low strip ratio, open-pit operation.

Environment and community

Globe is now preparing an Environmental Impact and Social Assessment (EISA) study – due for submission to the Government of Malawi in Q1 2012. The EISA is being prepared by South African and Malawian consultants under the direction of lead consultant Synergistics of Johannesburg. Outcomes to date have been favourable and Globe has commenced negotiations with the local authorities to commence planning on the site resettlement; approximately 125 homesteads will be relocated in preparation for the project construction. Globe is working closely with the District Commissioner and Traditional Authority to ensure the interests of all stakeholders are protected.

In addition, Globe’s Stakeholder Participation Program continues to facilitate community consultation and education in relation to the Project. The Globe team is working closely with all stakeholders to ensure the project implementation phase proceeds smoothly, whilst Globe directors and consultants are working with the Government of Malawi to advance the Project Development Agreement.

Metallurgy and optimisation programs

As a risk mitigation strategy, Globe is conducting an intensive laboratory test program aimed at optimising earlier test work results and scaling outcomes to the production plant level before proceeding to pilot testing. Metallurgical test laboratories in Australia and China are working with Globe to finalise the processing flowsheet before the process plant design is completed.



Globe has experienced delays in completing metallurgical test work and obtaining analytical services, due mainly to the large demand being placed on testing infrastructure in Australia. As a consequence, some delays may be encountered in preparation of the final optimised flowsheet due to the further investigation of process enhancements.

Preliminary plant and infrastructure design is progressing using a number of dedicated consultants before handing over to a suitable EPCM organisation. Negotiations have also commenced with third-party processors to evaluate possible toll-treatment options for Kanyika concentrates.



Figure 1: Optimisation flotation test work.

Infrastructure and project site works

The site arrangement plan is now at an advanced stage with all major features located. Hydrology, hydrogeology and geotechnical studies are also progressing well.

South African company, Jones & Wagener, have prepared a preliminary tailings storage facility design and conducted site investigations to confirm the deposition strategy and embankment location. Tailings will be managed using a relatively conservative deposition strategy and minimal environmental concerns are anticipated.

Other elements of the project infrastructure are being developed using a range of Malawian and international engineers. Additional work is being conducted to evaluate other Project areas including logistics, human relations and overall Project risk mitigation.

Table 1: Mineral resource estimates for Kanyika (1,500ppm Nb₂O₅ lower cut).

Category	Million Tonnes	Nb ₂ O ₅ ppm	Ta ₂ O ₅ ppm	U ₃ O 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 (3,000ppm Nb₂O₅ lower cut).

Category	Million Tonnes	Nb ₂ O ₅ ppm	Ta ₂ O ₅ ppm	U ₃ O 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

About Globe Metals & Mining

Globe is an African-focused resource company, specialising in rare metals such as niobium, tantalum and rare earths, as well as other commodities including fluorite, uranium and zircon. Its main focus is the multi-commodity Kanyika Niobium Project in Malawi, Africa, which will commence production of ferro-niobium in 2014, a key additive in sophisticated steels.

Globe also has a number of other projects at an earlier stage of development: it is earning up to an 80% interest in the Machinga Rare Earth Project in southern Malawi, and the Company can earn up to a 90% interest in the Mount Muambe REE - Fluorite Project in Mozambique. Initial drill programs on both projects were undertaken in 2010.

Globe has regional offices in Lilongwe, Malawi, and Tete, Mozambique and has its corporate head office in Perth, Australia. The Company has been listed on the ASX since December 2005 (Code: GBE).

In April 2011, the Company entered into a strategic partnership with East China Minerals Exploration and Development Bureau (ECE), a Chinese State Owned Enterprise with extensive mining operations in China and overseas. ECE is now the largest shareholder in Globe, and a key partner for Globe's growth ambitions in Africa.

Competent Person: The contents of this report relating to geology and exploration results are based on information reviewed by Dr Julian Stephens, Member of the Australian Institute of Geoscientists and Non-Executive Director of 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 reviewed by him in the form and context in which they appear.

Company contact:

Mark Sumich
 Managing Director
 t: +61 8 9486 1779
 e: mark.sumich@globemetalsandmining.com.au

Media contact:

Skye Gilligan
 Marketing Manager
 t: +61 8 9486 1779
 e: skye.gilligan@globemetalsandmining.com.au