

AUSTRALIAN

RESEARCH

BLUE BOOK SERIES

Junior Resources

September 2008 Quarterly Review

EXTRACT

Global economies enter recessionary phase

Contents

This is an extract from the September 2008 Junior Resources Quarterly Review

IMPORTANT NOTICE

Aegis has been commissioned to produce this report.

Disclaimer & Disclosure of Interests

This publication has been prepared by Aegis Equities Research Pty Limited ("Aegis") (ACN 085 293 910), an Australian Financial Services Licensee (AFSL no. 225072). Aegis has been commissioned to prepare this independent research report (the "Report") and will receive fees for its preparation. Each company specified in the Report (the "Participants") has provided Aegis with information about its activities. Whilst the information contained in this publication has been prepared with all reasonable care from sources that Aegis believes are reliable, no responsibility or liability is accepted by Aegis for any errors, omissions or misstatements however caused. Any opinions, forecasts or recommendations reflects the judgment and assumptions of Aegis as at the date of publication and may change without notice. Aegis and each Participant in the Report, their officers, agents and employees exclude all liability whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law. This publication is not and should not be construed as, an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. Any opinion contained in the Report is unsolicited general information only. Neither Aegis nor the Participants are aware that any recipient intends to rely on this Report or of the manner in which a recipient intends to use it. In preparing our information, it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual recipient. Investors should obtain individual financial advice from their investment advisor to determine whether opinions or recommendations (if any) contained in this publication are appropriate to their investment objectives, financial situation or particular needs before acting on such opinions or recommendations. This publication is not for public circulation or reproduction whether in whole or in part and is not to be disclosed to any person other than the intended recipient, without obtaining the prior written consent of Aegis. This report is intended for the residents of Australia. It is not intended for any person(s) who is resident of any other country. Aegis and/or the Participant, their officers, employees or its related bodies corporate may, from time to time hold positions in any securities included in this Report and may buy or sell such securities or engage in other transactions involving such securities. Aegis and the Participant, their directors and associates declare that from time to time they may hold interests in and/or earn brokerage, fees or other benefits from the securities mentioned in this publication.

Aegis, its officers, employees and its related bodies corporate have not and will not receive, whether directly or indirectly, any commission, fee, benefit or advantage, whether pecuniary or otherwise in connection with making any statements and/or recommendation (if any), contained in this Report. Aegis discloses that from time to time it or its officers, employees and related bodies corporate may have an interest in the securities, directly or indirectly, which are the subject of these statements and/or recommendations (if any) and may buy or sell securities in the companies mentioned in this publication; may effect transactions which may not be consistent with the statements and/or recommendations (if any) in this publication; may have directorships in the companies mentioned in this publication; and/or may perform paid services for the companies that are the subject of such statements and/or recommendations (if any).

However, under no circumstances has Aegis been influenced, either directly or indirectly, in making any statements and/or recommendations (if any) contained in this Report.

The information contained in this publication must be read in conjunction with the Legal Notice that can be located at <http://www.aegis.com.au/Public/Disclaimer.aspx>

For more information regarding our services please refer to our website www.aegis.com.au

Globe Metals & Mining (GBE)



Sector Materials	Industry Group Materials	Industry Metals & Mining	Sub Industry Precious Metals & Minerals
----------------------------	------------------------------------	------------------------------------	---------------------------------------------------

Company Overview

GBE is actively exploring for U3O8 in Malawi, where it has announced a JORC resource at its Kanyika Project. The current mineral resource is 56Mt at 2,600ppm Nb2O5, 70ppm U3O8, 120ppm Ta2O5 and 4,800ppm ZrSiO4. Kanyika has four revenue streams, with the biggest contribution from niobium (Nb). There are two other drill-ready targets; Livingstonia in Malawi and Salta in Argentina, where high-grade U3O8 is confirmed at Don Bosco. Other projects are being advanced in Tanzania and Zambia.

Strategy

GBE has expanded its focus with the release of a 56Mt multi-metals resource at Kanyika. This resource announcement broadens GBE's portfolio to a multi-metals play. GBE's primary focus during the year was advancing its key project Kanyika. The project is now undergoing a pre-feasibility study. The Argentinean projects appear to be prospective, containing outcrops of the favourable Yacoraite sandstone. GBE is structuring its activities to ensure it does not need to raise further equity until 2010.

Aegis Comments as at November 2008.

Outlook: GBE has reported the largest JORC resource at its Kanyika Deposit in Malawi, which has exceeded expectations and stands at 56Mt containing 145,500t of Nb2O5, 4,000t of U3O8, 6,600t of Ta2O5 and 272,400t of ZrSiO4. The resource includes a higher-grade core of 14.1Mt, which is near surface. The deposit is open to the north, south and at depth. This is a niobium project with valuable by-product credits. This is an exploration success story that should move along the path to a feasibility study.

Catalysts: Milestones are catalysts for re-rating. GBE announced 56Mt Inferred mineral resource at Kanyika. Following the announcement of results from the scoping study the next milestones will be good exploration results that might significantly increase the resource and a decision to begin a bankable feasibility study. Good results from a 7,000m drilling program at the Livingstonia project in Malawi and/or from one of the Argentinean projects would be viewed as positive for the stock.

Risks: GBE has various exploration projects from early stages to advanced exploration. The Kanyika Project scoping study is positive but at this stage there is no guarantee that the project will proceed to development. Country risk is diversified, with operations in Malawi, Tanzania, Zambia and Argentina. The African countries carry higher country risk than Argentina. Potential for losing key staff, increasing costs of funding, and long-lead times for key items of equipment are matters for concern.

Earnings Summary

Yr to Jun	NPAT Rep \$M	NPAT ¹ Adj \$M	EPS ¹ c	EPS chg %	PER x	PER rel All Ords x	PER rel Sector x	DPS c	Yield %	Franking %	ROE %
2006A	(0.4)	(0.4)	(1.2)	n/a	(8.3)	(0.7)	(0.8)	0.0	0.0	0	(34.7)
2007A	(1.7)	(1.7)	(4.2)	n/a	(2.4)	(0.2)	(0.2)	0.0	0.0	0	(42.9)
2008A	(1.2)	(1.2)	(1.8)	n/a	(5.5)	n/a	n/a	0.0	0.0	0	(18.8)

¹ NPAT and EPS are adjusted by removing non-recurring items. All the above statistics are derived from normalised earnings.

Key investment information

Price:	\$0.12
Price as at:	17-Nov-08
Market Cap (\$M):	9.1
Equiv. Shares (M):	67.59
% All Ords:	0.00
12Mth Range (\$):	0.10 - 0.60
Shares Traded (\$M pa):	9.0
Listed since:	Dec 2005
Index:	n/a

Share price performance



Company contact

no
photo
available

Mark Sumich
Managing Director
mark.sumich@globemetalsandmining.com.au
61 8 9486 1779

www.globemetalsandmining.com.au

Financial Stability

Balance Sheet (Y/E Jun)	07A	08A
Net debt (cash) (\$M)	(10.2)	(7.7)
Total assets (\$M)	12.3	14.8
Net debt/equity (%)	(87.7)	(58.2)
Net interest cover (x)	n/a	n/a
NTA per share (\$)	0.19	0.10
Current ratio (x)	15.8	5.4

As at 30-Jun-08

Net debt (cash) (\$M)	(7.7)
Net debt (cash) / shr (\$)	(0.11)
Net debt (cash) / MktCap (%)	(84.8)

Substantial Shareholders

M Sumich	9.4%
TPG -Axon Capital Management, LP	8.9%
Gene Research Pty Ltd	8.1%

Board

M Sumich (Managing Director)
D Sumich (Non Executive Chairman)
P J Van Der Borgh (Director)

Differentiating Factors

GBE is an early-stage exploration company with a specific commodity focus on uranium. Although all of its projects are uranium based, they are geographically diverse, which somewhat mitigates company risk. Furthermore, its presence in several African countries and Argentina could allow GBE a first-mover advantage to evaluate new projects in respective or nearby countries.

Achievements

The first two PLs were granted in Malawi in 1Q06. Soon after GBE announced a greenfields U discovery at Kanyika in central Malawi and reported high-grade mineralisation from Argentina. Kanyika is an exploration success story with the delineation of a significant JORC resource in only two years for minimal cost of A\$3M. Mineralisation was recorded at Chombe and significant values from other prospects. A U roll-front discovery was made at Livingstonia. A scoping study for Kanyika is now completed.

Recent Events

31 October 2008 – Quarterly Report: The 2008 Kanyika drilling program completion: A total of 5,247m of RC, 1,605m of diamond 301m of percussion drilling, for a total of 7,153m was completed and the majority of which was drilled in the September 2008 quarter. Since the current projects are not capital intensive (relative to the recently completed drilling phases on the project), GBE expects the net cash outflows over the coming quarters to reduce significantly, compared to the September quarter's outflows of \$1.7M.

27 October 2008 – Stunning Near Surface Infill Drill Results - Kanyika Malawi: Best-ever niobium, tantalum and uranium results from indrilling in the high-grade Milenje Zone included; 17m at 14,027ppm Nb2O5, 853ppm Ta2O5, 586ppm U3O8, 5m at 21,981ppm Nb2O5, 997ppm Ta2O5, 775ppm U3O8 from 33m and 4m at 21,708ppm Nb2O5, 1757ppm Ta2O5, 895ppm U3O8 from 46m. Consistent, near surface, very high-grade zone with Nb2O5 > 1% has been delineated over 200m+ strike length within the broader 1.2km high-grade Milenje Zone, which will likely improve overall project economics.

1 October 2008 – Excellent Drill Results Kanyika, Malawi: GBE has attained excellent niobium, tantalum and uranium results from infill drilling in the high-grade Milenje Zone. The results showed excellent continuity of geology and mineralisation with wide intercepts, confirming the robust nature of the deposit. The deposit is located in central Malawi. The infill drilling currently being undertaken is designed to upgrade the JORC resource and is one aspect of the recently commissioned pre-feasibility study for the Kanyika Project.

Capital Structure

GBE has issued 67.6M fully paid shares on issue. There are 5.9M unlisted options with exercise prices ranging from 30 cents to one dollar each. Options expiry dates range from 31.10.08 to 05.05.11.



Level 6, 33 York Street
Sydney NSW 2000 Australia
Locked Bag 7 Australia Square
Sydney NSW 1215
Phone 61 2 8296 1100
Fax 61 2 9299 3777
ABN 72 085 293 910
www.aegis.com.au