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A\$ 0.12

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 Uranium, Specialty Metals
 Malawi, Argentina
 Early to advanced exploration
 Exchanges: ASX:GBE

Globe Metals & Mining Limited

GBE has found additional high-grade, near-surface material at the uranium/ specialty-metal Kanyika Project (Malawi). JORC resource 56mt with 321mlbs Nb₂O₅ and 9mlbs U₃O₈, upgrade expected Feb'09 as part of PFS. Nb and Ta prices, demand remains high.

Capital Profile

Share price (A\$)	0.12
52 week range (A\$/share)	0.10 to 0.58
Number of shares (m)	68
Options and warrants (m)	5.9
Convertible notes (m)	0
Fully diluted (m)	73
Market capitalisation (undiluted) (A\$m)	7.8
Debt (A\$m) - Dec 08F	0.0
Enterprise value (A\$m)	7.8
Major shareholders:	
Mark Sumich (9.3%), TGP-Axon (8.9%)	
Avg monthly volume (m)	4
Cash (A\$m) - Dec 08F	5.5
Price/Cash (x)	1.4
Price/Book (x)	0.6
Listed company options	No

Investment Points

Kanyika (central Malawi) – multi-commodity Nb-U-Ta-Zr deposit. Estimated ore value ~US\$120/t (~4.5g/t Au eq).

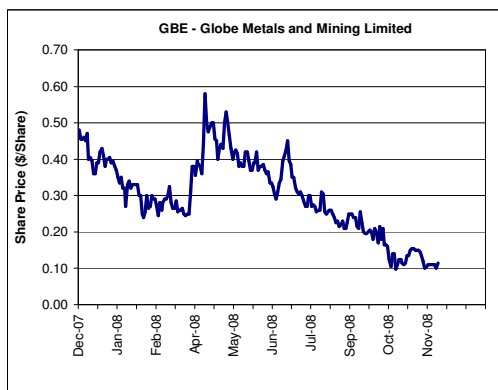
Kanyika initial resource includes 321mlbs at 0.26% Nb₂O₅ (includes high grade zone of 116mlbs at 0.37%) and 8.9mlbs U₃O₈; upgrade expected Feb '09.

Kanyika scoping study (Jun '08, Coffey) - 4ktpa Nb as FeNb, opex US\$13/kg-US\$20/kg Nb, capex US\$177m. Pre-feasibility study began Sep '08, results 3Q09.

Key economic driver is Nb (>85% of forecast revenue) - used in steel. Current Nb contract price (in FeNb) ~US\$43-46/kg, has risen during financial crisis.

Kanyika drilling (6,000m 2H08) - high grade zone extended: results incl. 3m @ 4.4% Nb₂O₅, 0.16% U₃O₈.

Midterm upside potential derived from scoping study is >A\$250m (US\$35/kg Nb, AUD 0.70); current GBE market capitalisation ~A\$8m.



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Production and Financial Forecasts

YEAR END: June	Sep-08a	Dec-08F	2007a	2008a	2009F
Exploration and evaluation (A\$m)	1.27	0.80	1.36	3.77	4.57
Corporate (A\$m)	0.57	0.35	0.73	1.52	1.62
Exploration/(Expl.+ Corporate) (%)	69	70	65	71	74
Funding duration at current burn (years)	3.3	4.8	4.9	1.5	3.6
Shares on issue (pr end) (m shares)	67.6	68.3	50.3	67.5	40.7
Drilling - RAB (m)	0	0	0	0	0
Drilling - Other/Diamond (m)	4,000	2,000	6,000	16,700	12,000
Land holding ('000 ha)*	275	275	209	275	275
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	0.00	0.60	8.08	3.02	20.60
Funding from JV partners (A\$m)	0	0	0	0	0
Cash (A\$m)	6.0	5.5	10.2	7.7	22.4
Cash backing (Ac/share)	8.8	8.1	20.3	11.5	55.1
Net asset backing (Ac/share)	18.6	18.9	23.3	19.7	79.5

*Uranium prospective tenements only, both held and under application.

Quarters refer to calendar year.

Company Comment

Introduction: Globe Metals and Mining listed Dec '05. The Company is focused on uranium and specialty metals exploration and has early to mid-stage projects in Malawi (175,000 hectares).

Kanyika (uranium, central Malawi): GBE is targeting uranium and specialty metal mineralisation in an alkalic granitoid (similar to Rossing or Goanikontes deposits) with strike length 3.5km+:

- Resource and grade** - drilling confirms U₃O₈ and tantalum, niobium and zirconium, over five strike-parallel high-grade zones within a larger mineralised envelope. Inferred JORC resource defined over 2.1km strike: 56.4mt @ 0.26% Nb₂O₅ (320.7mlbs), 0.007% U₃O₈ (8.9mlbs), 0.0120% Ta₂O₅ (14.5mlbs) and 0.48% ZrSiO₄. High-grade resource at 3,000ppm Nb₂O₅ cut-off is 14.1mt. Deposit is open in 3 directions. 6,000m resource drilling from Jun '08 – upgrade expected Feb '09. Oct '08 results include 17m @ 1.40% Nb₂O₅, 0.085% Ta₂O₅ and 0.059% U₃O₈ from 33m depth.
- Favourable Mining Potential** - the deposit could be mined open-pit with low strip ratio of 0.5-0.9 and has a higher-grade, near surface area - critical for early capex payback. Scoping study (Coffey, Jun '08) examined 4ktpa Nb production as FeNb alloy, with 59tpa Ta₂O₅ and 11.4-13.7ktpa ZrSiO₄ (processing 2.2-3.5mtpa) bringing ~US\$3bn revenue and ~US\$1.1bn free cash flow over 20yr LOM, capex US\$177m with < 2 year payback, opex US\$21/t- US\$44/t (US\$13/kg to US\$20/kg Nb). Study accuracy +/-30-50%. Uranium would report to aluminous slag for potential future processing. Pre-feasibility study began Sep '08, results expected Q309. Assuming prices of Nb (in FeNb) US\$35/kg (current long term price ~US\$43-46/kg), Ta raw material ~US\$45/lb (min 30% Ta₂O₅) and ZrSiO₄ at US\$600/t, project potential NPV at 8% (real) is >A\$230m based on scoping study parameters.
- Metallurgy** – Phase 2 of testing began May '08. Phase 1 reported good recoveries via physical separation of pyrochlore and zircon concentrates (pyrochlore 72%) and acid leaching (eg Nb₂O₅ and Ta₂O₅ 98%, and U₃O₈ 89%). Could produce FeNb alloy by pyrometallurgy. Phase 2: pilot-scale testing of 100t sample and production of concentrate for potential buyers, results Feb-Mar '09.
- Marketing/Demand** – A & M Minerals assisting with marketing, e.g. introductions to prospective offtake customers. Prices for niobium (used in steel) and tantalum (used in capacitors) have remained steady during global financial upheaval and are predicted to remain strong.
- Livingstonia (uranium, northern Malawi):** GBE is targeting roll-front deposits in Karoo sandstones similar to, and in the region of, the Kayelekera deposit (15.6kt, 34.3mlbs U₃O₈, ASX:PDN). **Chombe** (roll-front style) - economic grades over an area of 600m x 1,000m in three parallel zones, up to 15m thick. Results include 8.1m @ 0.064% U₃O₈ with 3.1m @ 0.081% U₃O₈ (2Q08) - similar results were returned Sep '08 for the third, eastern zone. Further drilling 1H09.

Investment Comment: GBE's most advanced project, Kanyika, has developed quickly and at low cost (2 years and A\$4m) to have a JORC resource (supporting a potential 20+ year operation) and scoping study. With high leverage to niobium, encouraging metallurgy and high-grade intercepts, GBE has started a pre-feasibility study. With current infill drilling completed at Kanyika, GBE expects a period of low expenditure (including the PFS) and should have sufficient capital to reach 2010. Kanyika has considerable upside potential as milestones are met (scoping study derived NPV of >A\$250m).

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

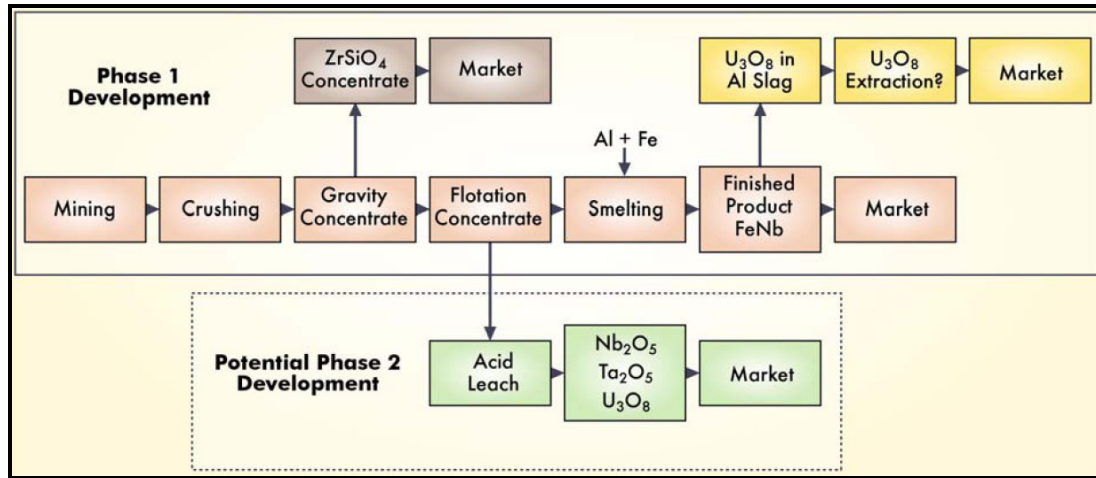
Uranium, Niobium	Classification/	Project	Ore	Cut off	U ₃ O ₈	U ₃ O ₈	Nb ₂ O ₅	Nb ₂ O ₅
U ₃ O ₈ , Ta ₂ O ₅	Geology	Equity	Mt	Nb ₂ O ₅	%	Mlb	%	Mlb
					ppm			
Reserves						0.0	0.00	0.0
Resources - Kanyika	Inferred	100%	56.4	1,500	0.007	8.9	0.26	320.7
Mineralised Material (est., non compliant with JORC)						0.0	0.00	0.0

Resource also contains: 0.012% Ta₂O₅ for 14.5mlbs and 0.48% ZrSiO₄ for 600.5mlbs.

Key Projects

Project	Ownership/	JV	Target	Process	Project	Location	
	Option	Partner	Type	Route	Status		
Kanyika	100%	U (Nb,Ta)	none	Granitoid	na	Scoping	Malawi
Livingstonia	100%	U	none	S'tone	na	Mid. Expl.	Malawi
Nihaire	100%	U	none	S'tone	na	Early Expl.	Malawi
Belele Dambo	100%	U (Nb,Ta)	none	Granitoid	na	Early Expl.	Malawi
Cerro Tin Tin	100%	U (V)	none	Shear	na	Early Expl.	Argentina

Proposed process flowchart for GBE's Kanyika Project, Malawi, from the scoping study (Coffey, Jun '08). Note that uranium reports to waste during FeNb production but could be recovered by expanding the plant to produce high purity metal oxides (Phase 2).



Niobium price sensitivities and NPVs for the Kanyika Project. Modelling does not include potential revenues from a possible Phase 2 expansion to produce uranium.

KANYIKA SPECIALTY METALS PROJECT (NPV based on Coffey Scoping Study)

		Equity			Sensitivity		
LONG TERM NIOBIUM PRICE (per kg in FeNb alloy)^	:US\$/kg	25	35	45	55	65	
EXCHANGE RATE	:AUUS	0.70	0.70	0.70	0.70	0.70	
KANYIKA NPV @ 8% REAL*	:\$m	100%	70	234	397	561	726
KANYIKA NPV @ 8% REAL*	:\$m	100%	49	164	278	393	508
NPV/SHARE	:\$/share		1.04	3.46	5.87	8.29	10.74
* Includes a scoping study stage project discount of 50% of the project valuation:			50%				
*Niobium prices are modelled as flat line for 20 years. Spot US\$55/kg.							

KANYIKA SPECIALTY METALS PROJECT KEY ASSUMPTIONS*

RESOURCE ESTIMATES						
Current inferred resource		Ore	Nb	Ta	Zr	U
		Mt	%	%	%	%
<i>Model does not include uranium production</i>		56.4	<u>0.30</u>	<u>0.012</u>	<u>0.48</u>	<u>0.007</u>
		Contained metal, mlbs	320.7	14.5	600.5	8.9
MINING METHOD	Open Pit					
PROCESS METHOD	Dedicated Specialty Metals Plant Gravity (incl. separation of zircon), flotation, aluminothermic smelting for FeNb (+Ta) alloy					
		Year 1	Year 20			
PRODUCTION RATE	:mtpa	2.2	3.5	Head grade falls from >0.25% Nb ₂ O ₅ to ~0.25% Nb ₂ O ₅		
	:tpa Nb	4,000	4,000			
	:strip ratio	0.5	0.9			
CAPITAL COSTS	:\$	177m	(+97m)	Two expansions, in yrs 3 & 6. Sustaining capex \$5.2mpa.		
RECOVERIES TO CONCENTRATE	:%					
		Nb ₂ O ₅	72.9			
		Ta ₂ O ₅	65.9			
		U ₃ O ₈	72.9			
		ZrSiO ₄	85			
DOWNSTREAM RECOVERY			90			
OPERATING COSTS	:\$/t	17 to 24				
TAX	:%	30		Company tax in Malawi		
ROYALTY	:%	3		ASX:PDN at Kayelekera pays 1.5% for first 3 yrs, then 3%		
MINE LIFE	:Years	20				
COMMISSION DATE	:	Post 2012				

* These figures are preliminary in nature and are intended to provide only a general indication of project potential scale and economic robustness. Considerable refinement may result from subsequent pre-feasibility study, expected in 3Q09.

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