

# GLOBE METALS & MINING

# Shareholder Update

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## From the Managing Director

Dear Shareholder,

It's been a busy start to 2012 with increased investor relations activity taking myself and members of our senior management team to cities across Africa, Asia and North America.

The timing of the recent World Trade Organization (WTO) rare earth trade dispute between China and the West has provided an interesting backdrop for Globe's rare earth portfolio, in particular the excellent results coming out of Mount Muambe in Mozambique.

As the world now turns its attention to substantial rare earth deposits outside of Mainland China, the three new zones of rare earth mineralisation identified at Mount Muambe leave Globe well positioned among the new class of companies looking to develop a rare earths project in the future.

Last month at Hong Kong Mines & Money, I

was very pleased to confirm that the definitive feasibility study (DFS) at our Kanyika Niobium Project is on track for completion by the end of this year. In addition, the project economics remain very attractive (NPV of US\$300m), and we have the right strategic partner in ECE to put together the necessary financing and off-take arrangements.

Our decision to appoint Ms Shasha Lu as Deputy Chief Executive in January provides Globe with a dedicated focus on exploring these opportunities for Globe in Asia.

It is certainly an exciting time; as we advance through the DFS process for Kanyika much more of the NPV implicit in the Project ought to become reflected in the share price, and our key second tier projects – Muambe and Memba – will provide ongoing news flow.

I trust you will enjoy learning more about the dedication of our people in this edition.



Mark Sumich  
Managing Director



Tiffany Hill and Srdjan Bulatovic conduct concentrator testwork.

## 2012 drilling campaign commences

### Mount Muambe shows potential for large tonnages of rare earths

During the quarter we announced significant rare earth element (REE) results at Mount Muambe - three new zones grading between 1.5% and 4% total rare earth oxides over very significant widths, demonstrating the potential for substantial tonnages. In addition we announced an inferred fluorite resource.

With the 2012 drilling program currently underway (>2000m to date), the exploration focus is on REEs, with a view to achieving a REE resource and commencing a scoping study in 2013.

### Kanyika DFS draws nearer to completion

The definitive feasibility study (DFS) at Kanyika is on track for completion in December this year, with final stage activity focused on infill drilling, infrastructure and engineering. To view a complete schedule, download our latest investor presentation.

The 2012 infill drilling campaign will be completed in July and Ms Fiona Meaker, has been appointed as on-site geologist/project manager. In addition, our process optimisation test work has ramped up with the appointment of Tiffany Hill as Process Development Chemist, and Dr Marc Steffens as Senior Process Metallurgist who will focus on the final product refining. Srdjan Bulatovic a world expert in niobium flotation spent February in our Perth Lab to finalise the flotation regime.

Final delineation and pegging of the project area commenced in March, with representatives from the Mzimba district commissioner's office and the community taking part in the first round of relocation discussions.



First aid training at Kanyika.



Completion of first aid training.

## Environment and sustainability

### Training in Malawi invigorates vision and creates pride

During January, ten members of Globe's Malawian exploration team, including corporate staff from Lilongwe participated in first aid training at our Kanyika Project site. Conducted in the local language of Chewa, staff learnt the basic principles and practice of first aid, emergency actions and how to prevent and treat various injuries. This training forms part of our larger safety initiative for all African based personnel.

On a separate skills course earlier this year, six of Globe's corporate team from Malawi sharpened their skills in scheduling, budgeting, identifying resources and decision making. Conducted by external consultants ProjectManagement.co.za, the course provided participants with an invigorated vision and understanding of the link between performance and strong communication.

### Environmental Impact Assessment (EIA)

Public issue of the EIA is scheduled for May, with final submission to the Environmental Affairs Department planned for July. The baseline monitoring report was presented at the Kanyika Community Meeting in February. Globe continues to work closely with the District Commissioner and Traditional Authority to ensure the interests of all stakeholders are protected.



Skye Gilligan and Mark Jones visit Etandweni Health Post with the Village Committee.



Community meeting in progress.



Chief Inkosi ya Makosi Mbelwa speaks to the media.



Mother and baby at Etandweni Health Post.

## In the community

### Record attendance at Kanyika Community Meeting

Globe continues to place community consultation as a high priority. On 21 February 2012 at the Kanyika Niobium Project site in Malawi, Globe presented the findings of the Baseline Environmental Monitoring Report and provided an update on the Resettlement Framework Policy. A record attendance of some 200 guests arrived on foot, by car and bicycle.

Participants included senior government officials, the Paramount Chief Inkosi ya Makosi Mbelwa IV, Chief Mabulabo, Chief Simulemba, and the district MP. Undertaken in English and local languages of Chewa and Tumbuka, the overall response was positive, with many locals seeking employment and opportunities to provide services.

### Partnerships boost capacity of Etandweni Health Post

The Etandweni Health Post located in the Mzimba district of Malawi, was a derelict facility providing childhood immunisations, general health advice and family planning services.

Since completing a community requested refurbishment in late 2011, Globe sought the assistance of local public and private partnerships to dynamically boost the current and future capacity of the facility.

In January 2012, advice from the Australia Africa Mining Industry Group led to a successful grant application for A\$29,000 from the Australian Department of Foreign Affairs and Trade to install solar electricity and a vaccine fridge at the Health Post.

In addition, a scoping exercise undertaken in Malawi during February with the assistance of Professor Mark Jones, Director of the Global Health Alliance of WA identified a number of short and long term development options for acquittal of health focused corporate social responsibility.

In the short-term, Globe is committed to managing the installation of solar power and vaccine fridge, drilling of a water bore and purchase of necessary equipment and furniture to lift the Etandweni facility to an enhanced operational level.

### Appointment of Corporate Social Responsibility (CSR) Manager

In January 2012, to cement its commitment to CSR, Globe appointed Ms Skye Gilligan existing Manger Corporate Communications to oversee its social responsibility activity in Africa.



## Staff profile

### Meet Dries Kruger, Globe's General Manager of Africa

Start date:  
March 2007.

Place of birth:  
Potchefstroom,  
South Africa.

Current location:  
Somewhere between  
Mozambique  
and Malawi.

Length of time in  
the mining industry:  
13 years.

Most enjoyable aspect of your role:  
Dealing with new challenges.

Greatest role model in business:  
My father, he taught me integrity.

Thoughts on the biggest challenge for the  
mining industry in Africa:

The mining industry has in the past been perceived as taking the wealth from Africa, without giving anything back, it is therefore the industry's role to prove otherwise.

Favourite quote:

"Good judgement comes from experience, experience comes from bad judgement."  
*Jim Horning*

Favourite sport:  
Athletics.

A place in the world you've always wanted to visit:  
New York, The Big Apple.



## Events

### Asia road show speaks volumes

During 19-30 March, members of Globe's Senior Management and ECE representatives travelled to Hong Kong and Singapore to share Globe's story with potential off take partners, financiers and investors.

Bolstered by our sponsorship of the Hong Kong Mines & Money Conference (19—23 March) and participation at the Canadian Chamber of Commerce in Hong Kong's Resources Day (19 March), the road show drove strong trading volumes and facilitated the development of new relationships.

### Africa Panel at Toronto Technology Metals Summit

On 2 February, Mark Sumich was a guest panellist at the REE World Technology Metals Summit in Toronto. Alongside panellists from Frontier Rare Earths, Great Western Minerals, Montero Mining and Exploration, Namibia Rare Earths and Mkango Resources, Mark shared his passion for Africa and tips for developing rare earth projects.

### Globe joins the Malawi Confederation of Chambers of Commerce and Industry (MCCCI)

Globe is pleased to have joined the MCCCI - a partnership of enterprises and associations representing all sectors of the economy of Malawi. Globe supports the Chamber's commitment to drive Malawi's socio-economic development through joint action.

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