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ASX/Media Announcement

Audio Broadcast & Interview Transcript – Commencement of Discussions with Potential Chinese Off-Take Partners

Globe Metals & Mining provides the opportunity to listen to an audio broadcast with the Managing Director of the Company, Mr. Mark Sumich, discussing the Company's recent announcement made to ASX on the commencement of discussions with potential Chinese off-take partners.

To listen, click on the link: <http://www.brr.com.au/event/58593?popup=true>

To view the announcement, click on the link:

http://www.globemetalsandmining.com.au/download.php?fname=uploaddir/announcement/Pdf_378.pdf

The transcript of the interview is attached.

About Globe Metals & Mining

Globe Metals & Mining is an African-focused uranium and specialty metals resource company. Its main focus is the multi-commodity (niobium, uranium, tantalum and zircon) Kanyika Niobium Project in central Malawi. A Pre-Feasibility Study was commissioned in September 2008 and production is planned to commence in 2012 at a rate of 3,000tpa niobium metal, principally in the form of ferro-niobium.

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

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MARK SUMICH, MANAGING DIRECTOR OF GLOBE METALS & MINING

FRIDAY, 3 JULY 2009

BRR Today on Boardroom I'm joined by Mark Sumich, the Managing Director of Globe Metals & Mining. Mark, thanks for your time and welcome back to Boardroomradio.

MS Thank you, James.

BRR **Mark, you've recently been on a trip to China. Could you start by just discussing what the purpose of your recent trip was?**

MS James, really twofold – firstly, initially, just for market intelligence in terms of continuing to assess the demand for ferro-niobium. China obviously is a large market, so that's quite critical. And, secondly, it's to continue discussions and negotiations with various parties in relation to the future purchase of our ferro-niobium from the Kanyika Niobium Project in Malawi, and that's with a number of different groups such as steel mills, metal trading houses and Chinese mining groups, all of which do have an interest in the eventual purchase of our product from Malawi.

BRR **And, Mark, are you able to give any comments on what the outlook on demand for ferro-niobium in China will be?**

MS Yeah, James, obviously our release from a day or two ago during the week gave a lot of detail and statistics on what the situation is in China and, you know, not unlike most other commodities, if not all of them, China obviously is the main source of action right now with ferro-niobium. And I'll just run through briefly some of the statistics which I summarised in the announcement from 1 July. And our investors would be aware that most of this information has already been included, in one form or another, in previous announcements or presentations from the Company. In a broad sense, China - currently only approximately 20 per cent of the ferro-niobium market but more than half of the growth, so that's obviously where a lot of the new purchasing and customers will come from. In a macro sense, looking even beyond China, niobium, even though it's used almost entirely in the steel industry, over the last 20 years from 1990 to present it's grown at almost twice the rate of steel, being 7.9 per cent per annum over that 20-year period, compared to 4.1 per cent per annum for the underlying steel industry. And that's all to do with the unit consumption increases that we've explained in a lot of detail in previous announcements. Going back to China again specifically, and just to give investors a feel for the sort of growth that has been occurring there, over the first 11 months of 2008 Chinese imports of ferro-niobium, which essentially amounts to consumption because there's very little production domestically in China, grew 69 per cent over the corresponding period in 2007. Obviously, subsequent to that, we've had the financial crisis, but that does give you a feel for the sorts of rates of growth in this product that had been occurring. Now, like with everything else, we are waiting to see what the sort of underlying normal demand will be, not just in China but more generally, in niobium and the steel industry, but I think it's probably instructive to go back to the 20-year period from 1990 to 2008 where you had an underlying what we would call "trend growth" of 8 per cent. So we would see that as normal demand for

niobium globally and, obviously, China would be a couple of ticks substantially above that.

Again, specifically in relation to China, we've spoken in previous presentations about the unit consumption and what essentially explains the rapid rates of growth in China in recent times, and also explains why it will continue to grow at such rapid rates, is really twofold factors pertaining to ferro-niobium. Firstly, you obviously have the linkage to underlying steel volumes but, secondly, on top of that, the unit consumptions will grow as well, which means specifically that, as China develops into a more sophisticated economy and, with that, the nature of the steel they produce, the amount of niobium they use in steels and the number of steel products that use niobium will increase. So that's really the sort of twofold factors which will continue to put China on that path of rapid niobium consumption. And I also put some data in the release of 1 July about China's percentage of global steel production at the moment, which is above 40 per cent and growing. So, in totality, James, that sort of explains why China very much is in the forefront of the niobium and ferro-niobium market and we're very excited about what we saw up there as a Company in terms of the opportunities for us going forward to easily place all of our planned production.

BRR **And, Mark, in terms of off-take agreements, do you have an indication as to when you might be able to put these in place?**

MS Nothing specifically in terms of time, James, but I can explain to investors how it fits into the sequence of events leading up to production. What we've done so far is enter into MOUs which are non-binding indicative expressions of interest, and we have approximately 35 per cent of our planned production under MOU at the moment. In order for binding MOUs to fall into place, we need definitive specifications on our products, which we don't have yet, and we will have first indications of that with the completion of our mini-pilot program which is planned for completion by September 2009 – in a couple of months. And, obviously, the final definitive specification is an important part of the process because that sets out exactly what we'll supply in terms of the product. And in addition to that, of course, there would be volumes, a formula for price, and the duration of the contract. So we expect that would happen towards the end of the bankable feasibility study. The other key things that would then happen in the bankable as well would be, for example, the development agreement with the government of Malawi. When the bankable agreement is completed, we would then apply for the mining licence and, at some point during that process, the finance for the build of the project would be completed as well. So the off-takes are just another part of that process, but we're not in a position yet, even if we wanted to, to finalise the off-takes. But, having said all that, like I said before, we're very confident we'll be able to do that and we know exactly who we need to be speaking to and what the nature of those discussions will be.

BRR Mark, it certainly sounds like it was a busy and successful trip to China and we look forward to following further developments from Globe when they come to market.

MS Thanks very much, James.

Contact brr@brr.com.au for more information

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