Globe Metals & Mining Limited

(ABN 33 114 400 609)

And Controlled Entities

Annual Financial Report

For the year ended
30 June 2014

CONTENTS

CORPORATE DIRECTORY

Directors
Ms Alice Wong, Non-Executive Chairperson
Mr Alistair Stephens, Managing Director and CEO
Ms Shasha Lu, Executive Director and Deputy CEO
Mr William Hayden, Non-Executive Director
Mr Jingbin Tian, Non-Executive Director
Mr Alex Ko, Non-Executive Director
Mr Bo Tan, Non-Executive Director

Company Secretary
Ms Kerry Angel

Principal & Registered Office
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West Perth WA 6005
Telephone: (08) 9327 0700
Facsimile: (08) 9327 0798
ABN: 33 114 400 609

Auditors
PwC - Australia
Brookfield Place
125 St Georges Terrace
Perth
WA 6000

PwC - Malawi
3rd Floor, ADL House
Capital City
Lilongwe 3
Malawi

PwC - Mozambique
Av. Vladimir Lenine, 174,
4º andar – Edificio Millennium Park,
Maputo
Mozambique

Share Registrar
Security Transfers Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

Securities Exchange Listing
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: GBE

Bankers
Westpac
109 St Georges Terrace
Perth WA 6000

DIRECTORS REPORT

The directors of Globe Metals & Mining Limited ('Globe' or 'the Company') submit the financial report of the Company and its controlled entities for the financial year ended 30 June 2014. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names and particulars of the directors of the Company during or since the end of the financial year are:

Alice Wong	Non-Executive Chairperson (appointed Non-Executive Director 11 October 2013 and Chairperson 31 January 2014)
Alistair Stephens	Managing Director (appointed 8 July 2013) and Chief Executive Officer (appointed 1 May 2013)
Shasha Lu	Executive Director and Deputy Chief Executive Officer
William Hayden	Non-Executive Director
Jingbin Tian	Non-Executive Director
Bo Tan	Non-Executive Director (appointed 9 October 2013)
Alex Ko	Non-Executive Director (appointed 10 February 2014)
Yi Shao	Non-Executive Chairman (resigned 6 January 2014)
Peter Stephens	Non-Executive Director (resigned 13 January 2014)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were to explore, develop and invest in the resource sector. The Group's major project is the development of the Kanyika Niobium Project in Malawi. The Group has other exploration projects that are progressing in Malawi and has ceased exploration projects in Mozambique. There have been no other changes to the principal activities during the year.

There were no significant changes in the nature of the Consolidated Entity's principal activities during the current year.

RESULTS

The consolidated loss of the entity after providing for income tax amounted to $4,625,668 (2013: $11,983,142).

REVIEW OF OPERATIONS SUMMARY

Highlights

- Cash in bank 30 June 2014 was $19.8M, $13 million of which was held in medium to long term deposits to maximise interest income.
- In the first half of the financial year Globe raised A$11.5m, before costs, from the combination of a convertible note placement and an underwritten rights issue.

Corporate

- Alistair Stephens was appointed Managing Director of Globe on 8 July 2013.
- Mr Yi Shao resigned from his role as Chairman of the Company and Mr Peter Stephens resigned from his role as Non-Executive Director of the Company in January 2014.
- Ms Alice Wong was appointed as Non-Executive Chairperson of Globe in January 2014.
- After the conversion of the Convertible Note to shares in December 2013, Apollo Metals Investment Co. Ltd ("Apollo") became Globe's major shareholder with 52.4% of the share register.
- Globe facilitated the sale of unmarketable parcels of shares in February 2014. After the sale of unmarketable parcels, Globe had 979 shareholders registered.

REVIEW OF OPERATIONS (CONT)

- Globe came to the end of its binding Memorandum of Understanding ("MOU") with its shareholder East China Non-Ferrous Metals Investment Holding Co. Ltd. ("ECE") in relation to the Kanyika Niobium Project, with assays completed in February 2014.
- Globe withdrew from its participation in the Mount Muambe Project joint venture in November 2013 after the conceptual feasibility study was completed.

Corporate Social Responsibility

- Corporate social responsibility included seminars at local schools in Malawi about geology and mining.

Kanyika Niobium Project

- A 40-tonne bulk sample of mineralised material was collected from the Kanyika Niobium Project for pilot plant evaluation. This was undertaken to validate bench-scale testing and optimisation, allowing an improved confidence in the estimation of process operations and operating costs, and thereby reducing project risk. In addition, this pilot plant work allowed for the production of a mineral concentrate that will be used for further downstream evaluation and marketing.

- The Kanyika pilot plant was undertaken at the Guangzhou Research Institute for Non-Ferrous Metals (GZRINM), located in China. The demonstration commenced in June 2014 and completed in late August 2014. The results attained were generally in line with the results of bench-scale tests undertaken as part of earlier optimisation efforts. The final report, with validated results, is expected to be completed at the end of September 2014. This will allow a review of the Kanyika economic model.

- The Development Agreement (DA) negotiations have continued in good faith with the Government of Malawi (GOM). At a meeting held on 13th May 2014, it was concluded negotiations be postponed until Globe completed the metallurgical test work currently underway in China. This test work has a bearing on the selection of the appropriate downstream processing route – either smelter or refinery – for the intermediate concentrate product.

- Globe carried out a review of previous soil and rock chip sampling programs within the Kanyika EPL to help identify additional exploration targets.

- A total of 45 rock chips and 232 soil samples were collected and the results indicate little potential for the extension of mineralization in the area south of the Kanyika deposit.

Exploration

- Chiziro – During the financial year a total of 317 soil samples, 288 stream samples and 62 rock chip samples were collected. The results for 40 rock chip samples from the Chimutu prospect were encouraging for graphite and resulted in 17 trenches for 6,266 metres being completed by August 2014.
- Kanyika – 45 rock chip samples and 232 soil samples were collected from South Kanyika to delineate further exploration targets to the south of the main Kanyika Resource.
- Machinga – 563 soil samples and 79 rock chip samples were collected from the Machinga Project Main South Zone to further delineate the Nb-Ta and Total Rare Earth Oxides (TREO) anomalism.
- Salambidwe – No exploration has been conducted at Salambidwe over the last financial year and exploration assessment is underway.
- Mount Muambe - Globe withdrew from its participation in the Mount Muambe Project in November 2013 after the conceptual feasibility study was completed. The likelihood of finding economic or commercially recoverable mineralisation in the current licence holding was assessed as unlikely and the Company's indicative study demonstrated that the current fluorite resource is not economic.
- Memba - Globe has two licences in the Memba area (100% Globe), after withdrawing from participation in the joint venture in January 2013. Globe is planning to relinquish the two licences and apply for the security deposit to be refunded. No exploration has been undertaken at these prospects over the last financial year.

ENVIRONMENTAL LEGISLATION AND COMPLIANCE

The Group's operations are subject to environmental regulation in Malawi and Mozambique in relation to the exploration and future mining and development activities. Exploration Licenses and other tenements are issued subject to ongoing compliance with all relevant legislation. The Group has complied with all relevant legislation during the year.

REVIEW OF OPERATIONS (CONT)

DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid during the year. No recommendation for payment of dividends has been made by the Directors.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group proposes to continue its exploration program and investment activities across its various mineral industry interests. Further information in relation to likely developments and the impact on the operations of the group has not been included in this report, as the directors believe it would result in unreasonable prejudice to the Group.

SUBSEQUENT EVENTS

There have been no subsequent events since 30 June 2014.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as disclosed in this report and the accompanying financial report, there were no other significant changes in the Group's state of affairs during the course of the financial year.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

INFORMATION ON DIRECTORS

Alice Wong	**Non-Executive Chairperson (appointed 11 October 2013)**
Special Responsibilities	Non-Executive Chairperson Chairperson of the Nomination and Remuneration Committee
Qualifications	B.Bus in Accounting and Finance
	Ms Alice Wong commenced her career with Pricewaterhouse as an auditor for leading international companies. Ms Wong subsequently worked in the investment banking industry in Hong Kong where her career spanned across BNP Paribas Peregrine, ABN AMRO Rothschild, and Morgan Stanley. In her investment banking career Ms Wong engaged in equity capital markets including IPOs, share placements, rights issues, and bond issues for a vast range of clients. Ms Wong holds a Bachelor of Business Administration in Accounting and Finance from the University of Hong Kong and is a member of the American Institute of Certified Public Accountants (AICPA).
Interest in Shares	245,983,611[1]
Interest in Options	Nil
Directorship of ASX Listed Companies	Nil

[1]Ms Wong is the sole shareholder and Director of Apollo Metals Investment Co. Ltd which holds 245,983,611 shares in the Company

INFORMATION ON DIRECTORS (CONT)

Alistair Stephens	**Managing Director and Chief Executive Officer**
Special Responsibilities	Managing Director and Chief Executive Officer
Qualifications	Masters of Business Administration Bachelor of Science (Honours) Graduate of the Australian Institute of Company Directors (GAICD)
Experience	Mr Stephens is a qualified geologist with more than 30 years' experience in the resources industry, in a broad range of technical and corporate management, including corporate governance, strategic development and delivery, technical program development, marketing, shareholder communications and capital funding. Mr Stephens held the position of Managing Director and Chief Executive Officer of Arafura Resources Limited (ASX: ARU) between 2004 and 2009. Mr. Stephens commenced his career in gold and copper exploration and development with Newmont but orientated most of his career in mining, planning and processing operations in gold with Normandy Poseidon and KCGM Pty Ltd and nickel with WMC Resources. He also has marketing and commercial experience with Orica Ltd in explosives.
Interest in Shares	Nil
Interest in Options	1,000,000 10 cent options exercisable on or before 30 June 2017 1,000,000 15 cent options exercisable on or before 30 June 2018 1,000,000 20 cent options exercisable on or before 30 June 2019 1,000,000 25 cent options exercisable on or before 30 June 2020
Directorship of ASX Listed Companies	Nil

Shasha Lu	**Executive Director and Deputy Chief Executive Officer**
Special Responsibilities	Executive Director and Deputy Chief Executive Officer
Qualifications	PhD and EMBA Degree, GAICD
Experience	Ms Lu holds an Executive Master of Business Administration (EMBA) from Nanjing University, as well as PhD in Medicine from the Tianjin University, China. Ms Lu has worked as a Postdoctoral fellow at the Karolinska Institute in Stockholm, Sweden and as a Visiting Scholar at the Geneva University during which time, she undertook some work in the World Health Organisation. In 2008, Ms Lu Shasha joined ECE and became the Executive Director and CEO of Hong Kong East China Non-Ferrous Mineral Resources Co. Ltd. (HKECE) and Ao-Zhong International Resources Pty Ltd (Ao-Zhong), wholly owned subsidiaries of Jiangsu East China Non-ferrous Metals Investment Holding Co., Ltd. (ECE). HKECE and Ao-Zhong hold the foreign business interests of ECE. In January 2014, Ms Lu joined Shenghe Resources Holding Co. Ltd, a listed company on Shanghai Stock Exchange with a market capitalization of around $1.2 billion, and became a Director of Shenghe's investment platform.
Interest in Shares	Nil
Interest in Options	3,800,000 0.1 cent options exercisable on or before 31 January 2015
Directorship of ASX Listed Companies	Arafura Resources Limited

INFORMATION ON DIRECTORS (CONT)

Jingbin Tian	**Non-Executive Director**
Special Responsibilities	Non-Executive Director Member of the Nomination and Remuneration Committee Member of the Audit Committee
Qualifications	BA and MA degrees in Literature from Nanjing University, China and a LLM in International Commercial Law with distinction from Nottingham University, UK.
Experience	Mr Jingbin Tian is Deputy Director of the Outward Investment Department of ECE. Before taking his current position in January 2010, he had been working with the Jiangsu International Tender Company and led a consulting team in the utilities sector for nearly ten years. His previous experience includes working in the public procurement area for eight years and as a newspaper reporter for one year.
Interest in Shares	Nil
Interest in Options	Nil
Directorship of ASX Listed Companies	Nil

William Hayden	**Non-Executive Director**
Special Responsibilities	Non-Executive Director Member of the Nomination and Remuneration Committee Member of the Audit Committee
Qualifications	B Sc (Hons)
Experience	Bill is a geologist with over 36 years’ experience in the mineral exploration industry, much of which has been in Africa and the Asia-Pacific region. Bill was the founder and President of Ivanhoe Nickel and Platinum Ltd. (formerly African Minerals Ltd.), a Canadian company which has assembled extensive mineral holdings in Africa. Since 1986 Bill has worked in a management capacity with several exploration and mining companies both in Australia and overseas. Bill was President of Ivanhoe Philippines, Inc. (an Ivanhoe Mines wholly owned subsidiary), former President of GoviEx Uranium Inc., a director of China Polymetallic Mining Ltd (HKSE listed), Sky Alliance Resources Inc., Ivanplats Ltd, Sunward Resources Ltd (TSX listed) and Condoto Platinum NL. (ASX listed).
Interest in Shares	76,923 Fully Paid Ordinary Shares
Interest in Options	600,000 15 cent options exercisable on or before 29 November 2014 500,000 26 cent options exercisable on or before 29 November 2014
Directorship of ASX Listed Companies	Condoto Platinum NL

INFORMATION ON DIRECTORS (CONT)

Bo Tan	**Non-Executive Director (Appointed 9 October 2013)**
Special Responsibilities	Non-Executive Director Chairman of the Audit Committee
Qualification	B.Economics from Renmin China, MBA from Thunderbird USA and a M.A from University of Connecticut
Experience	Mr Bo Tan, a Canadian national, has over 15 years' experience as a senior manager and director in financial planning, reporting, investment, capital structure and industrial research. Mr Tan has worked for companies such as Bohai Industrial Investment Fund, Lehman Brothers Asia and Macquarie Securities Asia, across international markets in China, Hong Kong, Canada and USA.
Interest in Shares	Nil
Interest in Options	Nil
Directorship of ASX Listed Companies	Nil

Alex Ko	**Non-Executive Director (Appointed 10 February 2014)**
Special Responsibilities	Non-Executive Director
Qualifications	Bachelor Business Administration
Experience	Mr Ko has over 30 years' experience in finance and investment banking. He has been a pioneer in the listing of Chinese equity offers through the Hong Kong exchange including many high profile government and private Chinese companies. He has held many independent non-executive director roles with Hong Kong listed companies in the transportation, electronics and environmental protection industries. He has strengths in finance and corporate governance. Mr Ko is currently an advisor to Minmetals Capital Ltd Hong Kong, a non-executive Director of Termbray Petro-king Oilfield Services Limited, and a trustee of a not for profit schooling academy in the USA.
Interest in Shares	Nil
Interest in Options	Nil
Directorship of ASX Listed Companies	Nil

Company Secretary

The following person has held the position of Company Secretary during the financial year:

Ms Angel was appointed to the position of Company Secretary on 1 October 2012. Ms Angel is a member of CPA Australia and the Governance Institute of Australia.

MEETINGS OF DIRECTORS

Directors	Directors Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Alice Wong(i)	1	1	-	-	-	-
Alistair Stephens	6	6	-	-	-	-
Shasha Lu	7	6	-	-	-	-
William Hayden	7	7	3	3	2	2
Jingbin Tian	7	7	3	3	2	2
Bo Tan(ii)	1	1	1	1	-	-
Alex Ko(iii)	-	-	-	-	-	-
Yi Shao(iv)	6	-	-	-	2	1
Peter Stephens(v)	6	6	2	2	-	-

(i) Appointed 11 October 2013
(ii) Appointed 9 October 2013
(iii) Appointed 10 February 2014
(iv) Resigned 6 January 2014
(v) Resigned 13 January 2014

INDEMNIFYING OFFICERS

During the financial year, the Company agreed to pay an annual insurance premium of $38,855 in respect of directors' and officers' liability and legal expenses, for directors, officers and employees of the Company.

REMUNERATION REPORT - AUDITED

A. Remuneration governance

The Board has established a Remuneration Committee. It is primarily responsible for making recommendations to the Board on;

- the overarching executive remuneration framework
- operation of the incentive plans which apply to the executive team, including key performance indicators and performance hurdles
- remuneration levels of executive directors and other key management personnel, and
- non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long term interests of the company.

The Remuneration Committee did not seek advice from independent remuneration consultants during the year.

The Corporate Governance Statement provides further information on the role of this committee.

B. Remuneration policy

The remuneration policy of Globe Metals & Mining Limited has been designed to align executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific incentives based on share price and key performance areas affecting the economic entity's financial results. The board of Globe Metals & Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to run and manage the economic entity.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

DIRECTORS REPORT

REMUNERATION REPORT – AUDITED (CONT)

B. Remuneration policy (cont)

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which in 2015 is 9.5% (2014:9.25%). As part of the cost saving in 2014 superannuation was paid up to a maximum of $17,775 per annum.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are independently valued by corporate advisers using the Black-Scholes method and Monte Carlo Model. Shares are valued at Market Value.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $600,000). Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

C. Performance based remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Details of short and long term incentives for directors and executives are outlined below.

(a) Short term incentives

Managing Director and CEO

The Managing Director and CEO may participate in a performance targets and bonus system that can grant a discretionary bonus up to 40% of base salary before tax and superannuation based on the successful completion of tasks that are weighted 40% to company objectives, 40% to their functional group objectives and 20% to personal objectives. The payment of all bonuses is at the discretion of the Board regardless of targets being achieved. This may be paid as 50% in cash and 50% paid in GBE shares. The Company may elect to settle the cash component through the issue of shares. No bonuses were paid to the Managing Director and CEO under this scheme for the current year.

Executive Director and Deputy CEO

The Executive Director and Deputy CEO may participate in a performance targets and bonus system that can grant a discretionary bonus up to 35% of base salary before tax and superannuation based on the successful completion of tasks that are weighted 40% to company objectives, 40% to their functional group objectives and 20% to personal objectives. The payment of all bonuses is at the discretion of the Board regardless of targets being achieved. This may be paid as 50% in cash and 50% paid in GBE shares. The Company may elect to settle the cash component through the issue of shares. No bonuses were paid to the Executive Director and Deputy CEO under this scheme for the current year.

Other Senior Executives

Other senior executives participate in a performance targets and bonus system that can grant a discretionary bonus up to 30% of their base salary before tax and superannuation based on the successful completion of tasks that are weighted 40% to company objectives, 40% to their functional group objectives and 20% to personal objectives. The payment of all bonuses is at the discretion of the Board regardless of targets being achieved. This may be paid as 50% in cash and 50% paid in GBE shares. The Company may elect to settle the cash component through the issue of shares. No bonuses were paid to the other senior executives under this scheme for the current year.

(b) Long term incentives

Currently, long term incentives are offered from time to time to directors and executives in the form of shares or share options to encourage the alignment of personal and shareholder interests. There are no set terms to the long-term incentives. The Company believes the policy links remuneration of directors and executives with its share price and will be effective in increasing shareholder wealth. Details of directors and executives interests in shares and options at year end are included below.

REMUNERATION REPORT – AUDITED (CONT)

C. Performance based remuneration (cont)

At the date of this report options have been granted to the Managing Director and CEO and the Executive Director and Deputy CEO as an incentive. The options were not based on a percentage of salary, the Board issued the options as an incentive based on market conditions.

Long term incentives granted to senior executives will be delivered in the form of options in accordance with the policy to issue options as an incentive to senior executives. The Board considers the issue of options to senior executives on an individual basis, there is no set percentage of salary. At the commencement of each financial year, the Group and each senior executive will agree upon a set of financial and non-financial objectives related to the senior executive's job responsibilities. The objectives will vary but all will be targeted directly to the Group's business and financial performance.

D. Details of remuneration

Compensation of key management personnel for the year ended 30 June 2014

	SHORT-TERM BENEFITS			POST EMPLOY-MENT	SHARE-BASED PAYMENT		TOTAL
2014	Salary & Fees	Termination Payment	Other(vii)	Super-annuation	Equity	Options	$
Directors							
Alice Wong(i)							
Chairperson	51,627	-	-	-	-	-	51,627
Alistair Stephens							
Managing Director & CEO	364,583	-	-	17,775	-	-	382,358
Shasha Lu							
Executive Director & Deputy CEO	363,511	-	29,731	-	-	34,975	428,217
Jingbin Tian							
Non-Executive Director	29,000	-	-	-	-	-	29,000
William Hayden							
Non-Executive Director	53,089	-	-	4,911	-	-	58,000
Bo Tan(ii)							
Non-Executive Director	39,817	-	-	-	-	-	39,817
Alex Ko(iii)							
Non-Executive Director	19,792	-	-	-	-	-	19,792
Yi Shao(iv)							
Chairman	43,500	-	-	-	-	-	43,500
Peter Stephens(v)							
Non-Executive Director	30,969	-	-	2,865	-	-	33,834
Total remuneration directors 2014	**995,888**	**-**	**29,731**	**25,551**	**-**	**34,975**	**1,086,145**
Specified Executives							
Kerry Angel							
Chief Financial Officer & Company Secretary	241,500	-	-	17,775	-	-	259,275
Fergus Jockel							
Exploration Manager	221,500	-	-	17,775	-	-	239,275
Les Middleditch(vi)							
Kanyika DFS Manager	48,244	144,756	-	1,481	-	-	194,481
Total remuneration specified executives 2014	**511,244**	**144,756**	**-**	**37,031**	**-**	**-**	**693,031**

(i) Appointed Non- Executive Director 11 October 2013 and Chairperson 31 January 2014
(ii) Appointed 9 October 2013
(iii) Appointed 10 February 2014
(iv) Resigned 6 January 2014
(v) Resigned 13 January 2014; options had not vested and were forfeited on resignation
(vi) Resigned on 31 July 2013
(vii) Accrued annual leave paid

DIRECTORS REPORT

REMUNERATION REPORT – AUDITED (CONT)

Compensation of key management personnel for the year ended 30 June 2013

2013	SHORT-TERM BENEFITS Salary & Fees	Termination Payment	Other	POST EMPLOY-MENT Super-annuation	SHARE-BASED PAYMENT Equity	Options	TOTAL $
Directors							
Yi Shao							
Chairman	101,209	-	-	-	-	-	101,209
Alistair Stephens(i)							
Managing Director & CEO	58,333	-	-	5,250	-	-	63,583
Mark Sumich(ii)							
Managing Director	47,980	250,000	-	4,318	-	-	302,298
William Hayden							
Non-Executive Director	51,669	-	-	21,915	-	-	73,584
Jingbin Tian							
Non-Executive Director	74,834	-	-	-	-	-	74,834
Peter Stephens(iii)							
Non-Executive Director	126,970	-	-	11,405	-	6,825	145,200
Shasha Lu(iv)							
Executive Director & Deputy CEO	402,125	-	-	-	-	22,056	424,181
Total remuneration directors 2013	**863,120**	**250,000**	**-**	**42,888**	**-**	**28,881**	**1,184,889**
Specified Executives							
Kerry Angel(v)							
Chief Financial Officer & Company Secretary	180,000	-	-	16,200	-	-	196,200
Les Middleditch(vi)							
Kanyika DFS Manager	265,000	-		23,850	-	-	288,850
Fergus Jockel(vii)							
Exploration Manager	284,615	-	-	25,615	-	-	310,230
Andries Kruger(viii)							
GM – Africa	182,949	-	-	-	28,000	-	210,949
Michael Schultz(ix)							
Regional Exploration Manager	117,540	115,280	-	-	17,500	-	250,320
Total remuneration specified executives 2013(x)	**1,030,104**	**115,280**	**-**	**65,665**	**45,500**	**-**	**1,256,549**

(i) Appointed on 20 May 2013
(ii) Resigned on 12 August 2012
(iii) Includes payments of $64,793 when Mr Stephens acted as CFO from the 30 June 2012 to 1 October 2012.
(iv) Appointed on 9 August 2011
(v) Appointed on 1 October 2012
(vi) Resigned on 31 July 2013
(vii) Appointed on 11 June 2012
(viii) Resigned on 12 Jan 2013
(ix) Resigned on 14 Dec 2012
(x) Bradley Wynne, Chief Financial Officer and Company Secretary (resigned 30 June 2012) was issued 300,000 shares with a total value of $41,000 during the year ended 30 June 2013, after his termination, for services provided in the 2012 financial year. Bradley was not a KMP in the year ended 30 June 2013 so this payment has not been included in the above table.

DIRECTORS REPORT

REMUNERATION REPORT – AUDITED (CONT)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follow:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2014	2013	**2014**	2013	**2014**	2013
Directors						
Alice Wong	**100%**	-	**-**	-	**-**	-
Alistair Stephens	**100%**	100%	**-**	-	**-**	-
Shasha Lu	**92%**	95%	**-**	-	**8%**	5%
Jingbin Tian	**100%**	100%	**-**	-	**-**	-
William Hayden	**100%**	100%	**-**	-	**-**	-
Bo Tan	**100%**	-	**-**	-	**-**	-
Alex Ko	**100%**	-	**-**	-	**-**	-
Yi Shao	**100%**	100%	**-**	-	**-**	-
Peter Stephens	**100%**	100%	**-**	-	**-**	-
Mark Sumich	**-**	100%	**-**	-	**-**	-
Other key management personnel of the group						
Les Middleditch	**100%**	100%	**-**	-	**-**	-
Fergus Jockel	**100%**	100%	**-**	-	**-**	-
Kerry Angel	**100%**	100%	**-**	-	**-**	-
Andries Kruger	**-**	87%	**-**	-	**-**	13%
Michael Schultz	**-**	93%	**-**	-	**-**	7%

Compensation options granted to key management personnel during the year ended 30 June 2014

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date $	Exercise Price $	Terms & Conditions for Each Grant First Exercise Date	Last Exercise Date
Alistair Stephens(i)	-	1,000,000	2/07/2013	0.00	0.100	1/7/2014	30/6/2017
Alistair Stephens(ii)	-	1,000,000	2/07/2013	0.00	0.150	1/7/2015	30/6/2018
Alistair Stephens(iii)	-	1,000,000	2/07/2013	0.00	0.200	1/7/2016	30/6/2019
Alistair Stephens(iv)	-	1,000,000	2/07/2013	0.00	0.250	1/7/2017	30/6/2020
	-	**4,000,000**					

Vesting requirements

(i) Options vest on 1 July 2014 and expire on 30 June 2017, conditional on VWAP over fifteen consecutive trading days on the ASX must be greater than A$0.20. The share price must be greater than the excise price at vesting date. The option is forfeited if not exercised within one calendar month of leaving employment of the company.

(ii) Options vest on 1 July 2015 and expire on 30 June 2018, conditional on VWAP over fifteen consecutive trading days on the ASX must be greater than A$0.30. The share price must be greater than the excise price at vesting date. The option is forfeited if not exercised within one calendar month of leaving employment of the company.

(iii) Options vest on 1 July 2016 and expire on 30 June 2019, conditional on VWAP over fifteen consecutive trading days on the ASX must be greater than A$0.40. The share price must be greater than the excise price at vesting date. The option is forfeited if not exercised within one calendar month of leaving employment of the company.

(iv) Options vest on 1 July 2017 and expire on 30 June 2020, conditional on VWAP over fifteen consecutive trading days on the ASX must be greater than A$0.50. The share price must be greater than the excise price at vesting date. The option is forfeited if not exercised within one calendar month of leaving employment of the company.

DIRECTORS REPORT

REMUNERATION REPORT – AUDITED (CONT)

Compensation options granted to key management personnel during the year ended 30 June 2013

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date $	Terms & Conditions for Each Grant Exercise Price $	First Exercise Date	Last Exercise Date
Peter Stephens(vii)	-	500,000	28/12/2012	0.028	0.260	29/11/14	29/11/16
Peter Stephens(vii)	-	600,000	28/12/2012	0.020	0.150	29/11/14	29/11/16
Shasha Lu(i)	-	250,000	28/12/2012	0.065	0.001	31/12/13	31/01/14
Shasha Lu(ii)	-	250,000	28/12/2012	0.001	0.001	31/12/13	31/01/14
Shasha Lu(iii)	-	250,000	28/12/2012	0.000	0.001	31/12/13	31/01/14
Shasha Lu(iv)	-	250,000	28/12/2012	0.000	0.001	31/12/13	31/01/14
Shasha Lu(v)	-	3,000,000	28/12/2012	0.001	0.001	31/12/14	31/01/15
Shasha Lu(vi)	-	800,000	28/12/2012	0.065	0.345	31/12/14	31/01/15
	-	**5,900,000**					

Vesting requirements

(i) Must be employed at 31/12/2013.

(ii) Must be employed at 31/12/2013 and the VWAP over fifteen consecutive trading days on the ASX is equal to or greater than A$0.60.

(iii) Must be employed at 31/12/2013 and the VWAP over fifteen consecutive trading days on the ASX is equal to or greater than A$0.80.

(iv) Must be employed at 31/12/2013 and the VWAP over fifteen consecutive trading days on the ASX is equal to or greater than A$0.90.

(v) Must be employed at 31/12/2014 and the VWAP over fifteen consecutive trading days on the ASX is equal to or greater than A$1.20 or the Market Capitalisation of the Company exceeds A$300 million.

(vi) Must be employed at 31/12/2014 and the where the Company completes an acquisition transaction with a value of at least A$15 million, or completes the Kanyika DFS on or before 31/12/2014.

(vii) Forfeited upon leaving employment

There were no Compensation shares granted to key management personnel during the year ended 30 June 2014

Compensation shares granted to key management personnel during the year ended 30 June 2013

	Vested No.	Granted No	Grant Date	Value per Share at Grant Date $	Vesting Date
Andries Kruger	200,000	200,000	02/07/12	0.14	02/07/12
Michael Schultz	125,000	125,000	02/07/12	0.14	02/07/12
	325,000	**325,000**			

DIRECTORS REPORT

REMUNERATION REPORT – AUDITED (CONT)

Option holdings of key management personnel

The numbers of options over ordinary shares in the company granted under the executive short term incentive scheme that were held during the financial year by each director and the key management personnel of the group, including their personally related parties, are set out below

2014	Balance at beginning period	Granted as Remuneration	Exercised	(Lapsed)	Balance at 30 June 2014	Total Vested at 30 June 2014	Total Exercisable at 30 June 2014
Alice Wong[(i)]	-	-	-	-	-	-	-
Alistair Stephens	-	4,000,000	-	-	4,000,000	-	-
William Hayden	1,100,000	-	-	-	1,100,000	1,100,000	1,100,000
Jingbin Tian	-	-	-	-	-	-	-
Bo Tan[(ii)]	-	-	-	-	-	-	-
Alex Ko[(iii)]	-	-	-	-	-	-	-
Shasha Lu	4,800,000	-	-	(1,000,000)	3,800,000	-	-
Kerry Angel	-	-	-	-	-	-	-
Fergus Jockel	-	-	-	-	-	-	-
Yi Shao[(iv)]	-	-	-	-	-	-	-
Peter Stephens[(v)]	1,100,000	-	-	(1,100,000[*])	-	-	-
Les Middleditch[(vi)]	-	-	-	-	-	-	-
	7,000,000	**4,000,000**	**-**	**(2,100,000)**	**8,900,000**	**1,100,000**	**1,100,000**

(i) Appointed 11 October 2013
(ii) Appointed 9 October 2013
(iii) Appointed 10 February 2014
(iv) Resigned 6 January 2014
(v) Resigned 13 January 2014
(vi) Resigned 31 July 2013
* Balance held and forfeited at the date of resignation

Shareholdings of key management personnel in listed fully paid ordinary shares

The numbers of shares over ordinary shares in the company that were held during the financial year by each director and the key management personnel of the group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2014	Balance at beginning period	Granted as Remuneration	On Exercise of Options	Bought & (Sold)	Balance at 30 June 2014
Alice Wong[(i)]	-	-	-	245,983,611	245,983,611
Alistair Stephens	-	-	-	-	-
Shasha Lu	-	-	-	-	-
William Hayden	76,923	-	-	-	76,923
Jingbin Tian	-	-	-	-	-
Bo Tan[(ii)]	-	-	-	-	-
Alex Ko[(iii)]	-	-	-	-	-
Fergus Jockel	-	-	-	-	-
Kerry Angel	-	-	-	-	-
Yi Shao[(iv)]	-	-	-	-	-
Peter Stephens[(v)]	-	-	-	-	-
Les Middleditch[(vi)]	-	-	-	-	-
	76,923	**-**	**-**	**245,983,611**	**246,060,534**

(i) Appointed Non- Executive director 11 October 2013 and Chairperson 31 January 2014. Shareholdings are in the name of Apollo Metals Investment of which Ms Wong is the sole shareholder and Director
(ii) Appointed 9 October 2013
(iii) Appointed 10 February 2014
(iv) Resigned 6 January 2014
(v) Resigned 13 January 2014
(vi) Resigned 31 July 2013

DIRECTORS REPORT

REMUNERATION REPORT – AUDITED (CONT)

Shareholdings of key management personnel in unlisted Class B Performance shares

2014	Balance at beginning period	Granted as Remuneration	On Exercise of Options	Bought & (Sold)/(Lapsed)	Balance at 30 June 2014
Mark Sumich[(i)]	2,140,000	-	-	(2,140,000)	-
	2,140,000	**-**	**-**	**(2,140,000)**	**-**

[(i)] Mark Sumich Resigned on 12 August 2012 and was no longer Key Management Personnel from this date.

E. Contractual Arrangements

Non-Executive Directors
Non-Executive Directors Fees at the date of this report are as follows;

Alice Wong	Chairman of the Board $80,000 per annum Chairman of the Nomination and Remuneration Committee $7,000 per annum
Jingbin Tian	Non-Executive Director $50,000 per annum Member of the Nomination and Remuneration Committee $4,000 per annum Member of the Audit and Risk Committee $4,000 per annum No fees were paid after 31 December 2013
William Hayden	Non-Executive Director $50,000 per annum Member of the Nomination and Remuneration Committee $4,000 per annum Member of the Audit and Risk Committee $4,000 per annum
Bo Tan	Non-Executive Director $50,000 per annum Chairman of the Audit and Risk Committee $8,000 per annum
Alex Ko	Non-Executive Director $50,000 per annum

DIRECTORS REPORT

REMUNERATION REPORT – AUDITED (CONT)

Employment contracts of key management personnel

Remuneration and other terms of employment for key management personnel are formalised in services agreements as set out below:

Name	Alistair Stephens
Title	Managing Director and CEO
Start date	1 May 2013
Current Agreement Commenced	1 August 2013
Term of Agreement	Three years from date of current agreement
Details:	Base salary of $385,000 p.a. exclusive of superannuation Termination requires one months' notice or the payment of one months' salary in lieu of such notice. Eligible to participate in performance based remuneration discussed above.

Name	Shasha Lu
Title	Executive Director and Deputy CEO
Start date	1 January 2012
Current Agreement Commenced	1 August 2013
Term of Agreement	Three years from date of current agreement
Details:	Salary of $360,000 p.a. with no superannuation. Ms Lu is not a tax resident of Australia and does not have Australian statutory superannuation obligations. Termination requires one months' notice or the payment of one months' salary in lieu of such notice. Eligible to participate in performance based remuneration discussed above.

Name	Kerry Angel
Title	CFO and Company Secretary
Start date	1 October 2012
Current Agreement Commenced	1 October 2012
Term of Agreement	No set termination date
Details:	Base salary of $240,000 p.a. exclusive of superannuation Termination requires three months' notice or the payment of three months' salary in lieu of such notice. Eligible to participate in performance based remuneration discussed above.

Name	Fergus Jockel
Title	Exploration Manager
Start date	11 June 2012
Current Agreement Commenced	11 June 2012
Term of Agreement	No set termination date
Details:	Base salary of $220,000 p.a. exclusive of superannuation Termination requires four weeks' notice or the payment of four weeks' salary in lieu of such notice. Eligible to participate in performance based remuneration discussed above.

This is the end of the audited remuneration report.

DIRECTORS REPORT

SHARES UNDER OPTION

At the date of this report 9,100,000 unissued ordinary shares of the Company under option are as follows:

Grant Date	Expiry Date	Exercise Price	Number of Options
26-Oct-10	26-Oct-14	25 cents	200,000
29-Nov-10	29-Nov-14	26 cents	500,000
29-Nov-10	29-Nov-14	15 cents	600,000
28-Dec-12	31-Jan-15	0.1 cents	3,000,000
28-Dec-12	31-Jan-15	0.1 cents	800,000
1-Jul-13	31-Dec-17	10 cents	1,000,000
1-Jul-13	31-Dec-18	15 cents	1,000,000
1-Jul-13	31-Dec-19	20 cents	1,000,000
1-Jul-13	31-Dec-20	25 cents	1,000,000

DEFERRED SHARE ENTITLEMENTS

At the date of this report no unissued ordinary shares of the Company have been allocated as deferred entitlements (2013: Nil).

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

NON AUDIT SERVICES

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Details of the amounts paid or payable to the auditor PricewaterhouseCoopers Australia and related entities for audit and non-audit services provided during the year are set out in note 19 to the financial Statements.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 20 of the financial report.
Signed in accordance with a resolution of the Board of Directors.

Alistair Stephens
Managing Director

Dated this 26th day of September 2014

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Auditor's Independence Declaration

As lead auditor for the audit of Globe Metals and Mining Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Globe Metals and Mining Limited and the entities it controlled during the period.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth
26 September 2014

PricewaterhouseCoopers, ABN 52 780 433 757
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CORPORATE GOVERNANCE

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. As consistency with the guidelines has been a gradual process, where the Company did not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations.

Details of all of the recommendations can be found on the ASX Corporate Governance Council's website.

Principle	ASX Corporate Governance Council Recommendations	Comply
1	**Lay solid foundations for management and oversight**	
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes
1.2	Disclose the process for evaluating the performance of senior executives.	Yes
1.3	Provide the information indicated in the Guide to reporting on principle 1.	Yes
2	**Structure the Board to add value**	
2.1	A majority of the board should be independent directors.	No
2.2	The chair should be an independent director.	No
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Yes
2.4	The board should establish a nomination committee.	Yes
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes
2.6	Provide the information indicated in the Guide to reporting on principle 2.	Yes
3	**Promote ethical and responsible decision-making**	
3.1	Establish a code of conduct and disclose the code or a summary as to:	
	• the practices necessary to maintain confidence in the company's integrity;	Yes
	• the practices necessary to take into account the company's legal obligations and the reasonable expectations of its stakeholders; and	Yes
	• the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Yes
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Yes
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes
3.5	Provide the information indicated in the Guide to reporting on principle 3.	Yes

CORPORATE GOVERNANCE

4	**Safeguard integrity in financial reporting**	
4.1	The board should establish an audit committee.	Yes
4.2	The audit committee should be structured so that it:	
	• consists only of non-executive directors;	Yes
	• consists of a majority of independent directors;	Yes
	• is chaired by an independent chair, who is not chair of the board; and	Yes
	• has at least three members.	Yes
4.3	The audit committee should have a formal charter	Yes
4.4	Provide the information indicated in the Guide to reporting on principle 4.	Yes
5	**Make timely and balanced disclosure**	
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies.	Yes
5.2	Provide the information indicated in the Guide to reporting on principle 5.	Yes
6	**Respect the rights of shareholders**	
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose the policy or a summary of that policy.	Yes
6.2	Provide the information indicated in the Guide to reporting on principle 6.	Yes
7	**Recognise and manage risk**	
7.1	Establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes
7.3	The board should disclose whether it had received assurance from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes
7.4	Provide the information indicated in the Guide to reporting on principle 7.	Yes
8	**Remunerate fairly and responsibly**	
8.1	The board should establish a remuneration committee.	Yes
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair • has at least three members.	 No No Yes
8.3	Clearly distinguish the structure on non-executive directors' remuneration from that of executive directors and senior executives.	Yes
8.4	Provide the information indicated in the Guide to reporting on principle 8.	Yes

CORPORATE GOVERNANCE

Council Principle 1:

Lay solid foundations for management and oversight

Role of the Board
The Board's primary role is the protection and enhancement of medium to long term shareholder value. To fulfil this role, the Board is responsible for the overall Corporate Governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Responsibility of the Board
The Board is collectively responsible for promoting the success of the Company by:

- supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed
- ensuring the Company is properly managed
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
- approval of the annual budget;
- monitoring the financial performance of the Company;
- approving and monitoring financial and other reporting;
- overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
- liaising with the Company's external auditors as appropriate; and
- monitoring, and ensuring compliance with, all of the Company's legal obligations, in particular those obligations relating to the environment, native title, cultural heritage and occupational health and safety.

The Board must convene regular meetings with such frequency as is sufficient to appropriately discharge its responsibilities. Between regular meetings it will also ensure that important matters are addressed by way of circular resolutions. The Board may, from time to time, delegate some of the responsibilities listed above to its senior management team.

Materiality threshold
The Board has agreed on both quantitative and qualitative guidelines for assessing the materiality of matters. Qualitative indications of materiality would include if:

- they impact on the reputation of the Company;
- they involve a breach of legislation;
- they are outside the ordinary course of business;
- they could affect the Company's rights to its assets; or
- if accumulated they would trigger the quantitative tests.

The Chairman
The chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The chairman is also responsible for chairing shareholder meetings and arranging Board performance evaluation.

The Managing Director
The Managing Director is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out his/her responsibilities the managing director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results. The managing director is also responsible for overall shareholder communication in conjunction with the chairman.

Role and responsibility of management
The role of management is to support the managing director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.
Management is responsible for reporting all matters which fall within the Materiality Threshold at first instance to the managing director or if the matter concerns the managing director then directly to the chairman or the lead independent director, as appropriate.

Relationship of Board with management
Management of the day-to-day business of the Company is to be conducted by or under the supervision of the Board, and by those other officers and employees to whom the management function is properly delegated by the Board.

CORPORATE GOVERNANCE

The Board will adopt appropriate structures and procedures to ensure that the Board functions independently of management. Appropriate procedures may involve the Board meeting on a regular basis without management present, or may involve expressly assigning the responsibility for administering the Board's relationship to management to a Committee of the Board.

Information is formally presented to the Board at Board meetings by way of Board reports and review of performance to date. When directors are providing information about opportunities for the Company, this should always be through the Board.

Council Principle 2:

Structure the board to add value

The Company presently has two executive directors, one non-executive Chairman (Mr Yi Shao), and three non-executive directors.

The Board has five members, including the Managing Director. The Board has one independent director and four nominee directors of the majority shareholder which includes the Chairman.

The Board is conscious of the need for independence. The Board believes that the Chairman is able and does bring quality and independent judgment to all relevant issues falling within the scope of the role of a Chairman. The Board considers that its structure has been and continues to be appropriate in the context of the company's current projects and operations. The Company considers that each director possesses skills and experience suitable for building the Company. Furthermore, the Board considers that in the current phase of the Company's growth, the Company's shareholders are better served by directors who have a vested interest in the Company. The Board intends to reconsider its composition as the Company's operations evolve, and appoint independent directors as appropriate.

Council Principle 3:

Promote ethical and responsible decision-making.

The Company is committed to an inclusive workplace that embraces and promotes diversity, while respecting International, Sovereign and Australian laws.

The Company recognises the value of a diverse work force and believes that diversity supports all employees reaching their full potential, improves business decisions, business results, increases stakeholder satisfaction and promotes realisation of the company vision.

Diversity may result from a range of factors including but not limited to gender, age, ethnicity and cultural backgrounds.

We believe these differences between people add to the collective skills and experience of the Organisation and ensures we benefit by selecting from all available talent.

Company and Individual Expectations

- Ensure diversity is incorporated into the behaviours and practises of the Company;
- Facilitate equal employment opportunities based on job requirements only using recruitment and selection processes which ensures we select from a diverse pool;
- Engage professional search and recruitment firms when needed to enhance our selection pool;
- Help to build a safe work environment by acting with care and respect at all times, ensuring there is no discrimination, harassment, bullying, victimisation, vilification or exploitation of individuals or groups;
- Develop flexible work practices to meet the differing needs of our employees and potential employees;
- Attract and retain a skilled and diverse workforce as an employer of choice;
- Enhance customer service and market reputation through a workforce that respects and reflects the diversity of our stakeholders and communities that we operate in;
- Make a contribution to the economic, social and educational well-being of all of the communities it serves;
- Meet the relevant requirements of domestic and international legislation appropriate to Elemental's operations;
- Create an inclusive workplace culture; and
- Establish measurable diversity objectives and monitor and report on the achievement of those objectives annually.

It is the responsibility of all directors, officers, employees and contractors to comply with the Company's Diversity Policy and report violations or suspected violations in accordance with this Diversity Policy.

Gender Diversity

The Board is responsible for establishing and monitoring on an annual basis the achievement against gender diversity objectives and strategies, including the representation of women at all levels of the organisation.

CORPORATE GOVERNANCE

The proportion of women within the whole organisation as at the date of this report is as follows:

Women employees in the whole organisation	26%
Women in Senior Executive positions	43%
Women on the Board of Directors	29%

- The Board acknowledges that there are two women on the Board of Directors. However, as noted above, the Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

Council Principle 4:

Safeguard integrity in financial reporting.

The Company's Managing Director and Chief Financial Officer report in writing to the Board that the consolidated financial statements of the Company and its controlled entities for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards.

The Company has established an audit committee. The Committee fulfils the role of an audit committee by:

- Monitoring the integrity of the financial statements of the Company, and reviewing significant financial reporting judgments.
- Reviewing the Company's internal financial control system and risk management systems.
- Reviewing the appointment of the external auditor and approving the remuneration and terms of engagement.
- Monitoring and reviewing the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements.

The Board has three independent directors, one managing director an executive director and two directors representing majority shareholders, of which one is the Chairperson. The Chairman of the Audit Committee is an independent director.

The Board is conscious of the need for independence. The Board believes that the Chairman of the Audit Committee is able and does bring quality and independent judgment to all relevant issues falling within the scope of the role of a Chairman. The Board considers that its structure has been and continues to be appropriate in the context of the company's current projects and operations.

Council Principle 5:

Make timely and balanced disclosure

Compliance procedures for ASX Listing Rule disclosure requirements have been adopted by the Company. It has appointed an officer of the Company to be responsible for compliance. The Company Secretary has been appointed as the officer of the Company.

Council Principle 6:

Respect the rights of shareholders

Information will be communicated to shareholders as follows:

- The annual report is distributed to shareholders. The Board ensures that the annual report includes relevant information about the operations of the consolidated entity during the year, changes in the state of affairs of the consolidated entity and details of future developments, in addition to the other disclosures required by the Corporations Act. The annual report is made available on the Company's website, and is provided in hard copy format to any shareholder who requests it.
- The half-yearly report contains summarised financial information and a review of the operations of the consolidated entity during the period. The half-year audited financial report is prepared in accordance with the requirements of applicable Accounting Standards and the Corporations Act and is lodged with the Australian Securities Exchange. The half-yearly report is made available on the Company's website, and is sent to any shareholder who requests it.
- The quarterly report contains summarised cash flow financial information and details about the Company's activities during the quarter. The quarterly report is made available on the Company's website, and is sent to any shareholder who requests it.
- Proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a general meeting of shareholders.
- The Company's website is well promoted to shareholders and shareholders may register to receive updates, either by email or in hard copy.

CORPORATE GOVERNANCE

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors and changes to the constitution. Copies of the constitution are available to any shareholder who requests it.

Company's website

The Company maintains a website at www.globemetalsandmining.com.au. On its website, the Company makes the following information available on a regular and up to date basis:

- company announcements;
- latest information briefings;
- notices of meetings and explanatory materials;
- quarterly, half yearly and annual reports.

The website is being continuously updated with any information the directors and management may feel is material.

The Company also ensures that the audit partner attends the Annual General Meeting.

Council Principle 7:

Recognise and manage risk

The Company has developed a framework for risk management and internal compliance and control systems which covers organisational, financial and operational aspects of the Company's affairs. It appoints the Managing Director as being responsible for ensuring that the systems are maintained and complied with. The Company has developed policies to manage risk which includes policies on code of conduct, travel expenses and claims, delegation of authority, securities trading policy, budget control policy, continuous disclosure policy and a credit card use policy.

Council Principle 8:

Remunerate fairly and responsibly

The Board has formed a remuneration committee. The Committee is responsible for the remuneration arrangements for Directors and executives of the Company.

The Board has one independent director, one managing director and four nominee directors of the majority shareholder, which includes three non-executive directors and one executive director. The Chairman of the Remuneration Committee is the Chairman of the Board and a nominee of the majority shareholder.

The Board is conscious of the need for independence. The Board believes that the Chairman of the Remuneration Committee is able and does bring quality and independent judgment to all relevant issues falling within the scope of the role of a Chairman. The Board considers that its structure has been and continues to be appropriate in the context of the company's current projects and operations.

CONTENTS OF FINANCIAL STATEMENTS

These financial statements are the consolidated financial statements of the consolidated entity consisting of Globe Metals and Mining Limited and its subsidiaries. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the directors on 26 September 2014. The directors have the power to amend and reissue the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	30 June 2014 $'000	30 June 2013 $'000
Interest income	5	670	973
Employee benefits expenses		(2,017)	(3,495)
Compliance and regulatory expenses		(303)	(340)
Occupancy expenses		(281)	(468)
Directors fees		(291)	(332)
Depreciation expense		(377)	(243)
Exploration expenditure written off		(260)	(5,862)
Business Development		(475)	-
Travel expenses		(219)	(714)
Administrative expenses		(382)	(921)
Share based payments expense	26	(33)	(159)
(Loss)/profit on disposal of fixed assets		(264)	28
Other expenses		(394)	(394)
Loss before income tax		**(4,626)**	**(11,983)**
Income tax expense		-	-
Loss for the period		**(4,626)**	**(11,983)**
Other comprehensive loss after tax			
Items that may be reclassified to profit or loss			
Changes in the fair value of available-for-sale financial asset		(30)	(4)
Other comprehensive loss for the period, net of tax		**(30)**	**(4)**
Total comprehensive loss for the period		**(4,656)**	**(11,987)**

Earnings Per Share attributable to ordinary equity holders of the company		**Cents**	**Cents**
Basic and diluted loss per share	25	(1.30)	(5.40)

The above consolidated statement of comprehensive income should be read in conjunction with accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	30 June 2014 $'000	30 June 2013 $'000
CURRENT ASSETS			
Cash and cash equivalents	8	6,774	14,156
Term Deposits	8	13,000	-
Trade and other receivables	9	209	212
Other assets	10	342	756
TOTAL CURRENT ASSETS		20,325	15,124
NON CURRENT ASSETS			
Exploration and evaluation expenditure	12	29,471	27,889
Available-for-sale financial assets		46	76
Plant and equipment	11	940	1,616
TOTAL NON CURRENT ASSETS		30,457	29,581
TOTAL ASSETS		50,782	44,705
CURRENT LIABILITIES			
Trade and other payables	13	1,065	1,080
TOTAL CURRENT LIABILITIES		1,065	1,080
TOTAL LIABILITIES		1,065	1,080
NET ASSETS		49,717	43,625
EQUITY			
Contributed equity	14	80,825	70,110
Reserves	15	2,679	2,676
Accumulated losses	15	(33,787)	(29,161)
TOTAL EQUITY		49,717	43,625

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Contributed equity	Accumulated losses	Share based payment reserve	Foreign exchange reserve	Revaluat-ion reserve	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated						
Balance at 1 July 2012	**70,338**	**(17,178)**	**2,649**	**-**	**-**	**55,809**
Loss for period	-	(11,983)	-	-	-	(11,983)
Other comprehensive loss for the period	-	-	-	-	(4)	(4)
Total comprehensive loss for the period	**-**	**(11,983)**	**-**	**-**	**(4)**	**(11,987)**
Transactions with owners in their capacity as owners						
Shares issued to employees	144	-	-	-	-	144
Share Buy-Back	(372)	-	-	-	-	(372)
Options issued during period	-	-	31	-	-	31
Balance at 30 June 2013	**70,110**	**(29,161)**	**2,680**	**-**	**(4)**	**43,625**
Loss for period	-	(4,626)	-	-	-	(4,626)
Other comprehensive loss	-	-	-	-	(30)	(30)
Total comprehensive loss for the period	**-**	**(4,626)**	**-**	**-**	**(30)**	**(4,656)**
Transactions with owners in their capacity as owners			**-**			
Shares issued	11,513	-	-	-		11,513
Less Costs of Issue	(798)					(798)
Share Buy-back	-	-	-	-		-
Options issued during period	-	-	33	-		33
Balance at 30 June 2014	**80,825**	**(33,787)**	**2,713**	**-**	**(34)**	**49,717**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	30 June 2014 $'000	30 June 2013 $'000
Cash Flows from Operating Activities			
- Payments to suppliers and employees (inclusive of value added taxes)		(3,641)	(6,737)
- Payments for business development activities		(475)	-
- Interest received		832	940
Net cash used in operating activities	24(a)	(3,284)	(5,797)
Cash Flows From Investing Activities			
- Transfer of funds to term deposits	8	(13,000)	-
- Sale of plant & equipment		86	85
- Purchase of plant & equipment		(74)	(408)
- Payments for exploration and evaluation		(1,946)	(10,431)
Net cash used in investing activities		(14,934)	(10,754)
Cash Flows from Financing Activities			
- Proceeds from issue/(purchase) of shares and options		11,513	(220)
- Payments for costs associated with issue of shares		(798)	-
Net cash provided from/(used in) financial activities		10,715	(220)
Net decrease in cash held		(7,503)	(16,771)
Cash and cash equivalents at beginning of financial year		14,156	30,930
Effects of exchange rate changes on cash		121	(3)
Cash and cash equivalents at end of financial year	8	**6,774**	**14,156**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Globe Metals & Mining Limited for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of directors on 24 September 2014.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. This financial report includes the consolidated financial statements and notes of Globe Metals & Mining Limited ('Globe' or 'the Company') and its controlled entities ('Consolidated Entity' or 'Group').

a. Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for profit-oriented entities.

(i) Compliance with IFRS

The financial report of Globe Metals & Mining Limited and controlled entities complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, also complies with International Financial Reporting Standards ('IFRS') as issued by International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iii) Historical Cost Convention

The financial report has been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(iv) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

b. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Globe Metals & Mining Limited ('company' or 'parent entity') as at 30 June 2014 and the results of all controlled entities for the year then ended. Globe Metals & Mining Limited and its controlled entities together are referred to in this financial report as the Consolidated Entity. The effects of all transactions between entities in the Consolidated Entity are eliminated in full.

Subsidiaries are all those entities over which the Consolidated Entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Consolidated Entity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 16 to the financial statements.

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

d. Foreign Currency Translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates, currently being the Australian Dollar for each of the entities. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit and loss for the period, except where deferred in equity as a qualifying cash flow or net investment hedge.

e. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest income is recognised as the interest accrues at an effective interest rate.

f. Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period (s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Taxation

Current and deferred tax is recognised as an expense or income in the Statement of Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax Consolidation

Globe Metals & Mining Limited and its wholly-owned Australian subsidiaries have not formed an income tax consolidated group under tax consolidation legislation.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

g. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

h. Impairment

(i) Financial Assets

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

For loans and receivables, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

(ii) Exploration and Evaluation Assets

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exists:

- The term of the exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area of interest have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specific area of interest; or
- Sufficient data exists to indicate that, although a development in the specific area of interest is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each cash generating unit (“CGU”) which is no larger than the area of interest. An impairment loss is recognised if the carrying amount of the CGU exceeds its estimated recoverable amount.

(iii) Non-financial Assets Other Than Exploration and Evaluation Assets

The carrying amounts of the Consolidated Entity’s non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset’s recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

i. Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement Cash Flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

j. Term Deposits

Term deposits in the statement of financial position comprise of term deposits held by the bank which have a maturity of between three and six months.

k. Exploration and Evaluation Assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

For exploration and evaluation asset farm-in arrangements in which Globe has made arrangements to fund a portion of the selling partners' (farmor's) exploration and/or future development expenditures, these expenditures are reflected in the financial statements as and when the exploration and development work progresses.

Exploration and evaluation asset farm-out arrangements are accounted for on a historical cost basis with no gain or loss recognition. Exchanges (swaps) of exploration and evaluation assets are accounted for at the carrying amounts of the assets given up with no gain or loss recognition.

Exploration and evaluation assets are only recognised if the rights of interest are current and either:

- The expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- Activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment and depreciated over the life of the mine.

l. Investments and Other Financial Assets

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 9) in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

l. Investments and Other Financial Assets (cont)

(ii) *Available-for-sale financial assets*
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Financial assets – reclassification
The group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the group's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

m. Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Impairment

The carrying amounts of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the statement of comprehensive income in the impairment expense line item.

Depreciation

The depreciable amount of all Motor vehicle and Leasehold assets are depreciated on a straight line basis over their useful lives. Plant and equipment, Furniture and fittings and Software assets are depreciated using the diminishing value method. The depreciation rates used for each class of depreciable assets vary from 3% to 40% with the average rate being 30%.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

n. Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for impairment is raised when there is objective evidence that the Group will not be able to collect the debt.

o. Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

p. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outlay of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

q. Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Retirement benefit obligations

All employees of the group are entitled to benefits from the group's superannuation plan on retirement, disability or death or can direct the group to make contributions to a defined contribution plan of their choice.

Contributions to superannuation funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Equity Settled Compensation

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transaction").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by a valuation by using a Black-Scholes option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

r. Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners as treasury shares until the shares are cancelled or reissued.

Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners.

s. Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

t. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the Statement of Cash Flow on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

u. Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements.

Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

v. Parent entity financial information

The financial information for the parent entity, Globe Metals and Mining Limited, disclosed in note 27 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Globe Metals and Mining Limited.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

w. New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. The Company’s assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 , AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (effective for annual reporting periods beginning on or after 1 January 2015.

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. It only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The group has not yet determined the extent of the impact, if any.

(ii) AASB 2014-1 Amendments to Australian Accounting Standards, deals with an approved number of amendments to Australian Accounting Standards as a result of an annual improvements project. The Standard is mandatory for financial years commencing on or after 1 July 2014. The group intends to apply the amendments for financial years commencing 1 July 2014.

AASB 2014-1 Amendments are as set out below

Standard	***Amendment ****
IFRS 1 *First-time adoption of IFRS*	The basis for conclusion is amended to clarify that where a new version of a standard is not yet mandatory but is available for early adoption, a first- time adopter can use ether the old or the new version. However, the same standard must be applied to all periods presented.
IFRS 2 *Share-based payment*	The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. It applies to share-based payment transactions for which the grant date is on or after 1 July 2014.
IFRS 3 *Business combinations*	An obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity based on the definitions in IAS 32 *Financial Instruments: Presentation.* All non-equity contingent consideration (financial and non-financial) must be measured at fair value at each reporting date with changes in fair value recognised in profit or loss. The amendment is effective for business combinations where the acquisition date is on or after 1 July 2014.
	The amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. However, the exemption only applies in the financial statements of the joint arrangement itself.
IFRS 8 *Operating Segments*	The revised standard requires disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. A reconciliation of segment assets to the entity's assets is only required if segment assets are regularly disclosed to the entity's chief operating decision maker.
IFRS 13 *Fair value measurement*	IFRS 13 is amended to clarify that short-term receivables and payables can continue to be measured at invoice amounts where the impact of discounting is immaterial.
	The portfolio exception in IFRS 13 (which allows an entity to measure the fair value of a group of financial assets and liabilities on a net basis) can be applied to all contracts within the scope of IAS 39 or IFRS 9. The amendment applies prospectively from the beginning of the first annual period in which IFRS 13 is applied.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

IAS 16 *Property, plant and equipment* IAS 38 *Intangible assets*	The amendments clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. Entities can either : • restate the gross carrying amount in a manner consistent with the revaluation of the carrying amount, and adjust the accumulated depreciation to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses, or • eliminate the accumulated depreciation against the gross carrying amount of the asset. The amendments must be retrospectively applied to the immediately preceding annual period, but earlier periods can also be restated.
IAS 24 *Related party disclosure*	A management entity that provides key management personnel services to the reporting entity is explicitly identified as related party. The reporting entity is • not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but • required to disclose the amounts paid to the management entity for services provided.
IAS 40 *Investment property*	IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 helps preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment is effective for annual periods beginning on or after 1 July 2013 but can be applied to individual acquisitions of investment property before that date if, and only if , the information necessary to apply the amendment is available.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. FINANCIAL RISK MANAGEMENT

The Group’s principal financial instruments comprise cash and short term deposits. The Group also has other financial instruments such as trade and other debtors and creditors which arise directly from its operations. For the period under review, it has been the Group’s policy not to trade in financial instruments

The main risks arising from the Group’s financial instruments and the Group’s policies for managing each of these risks are summarised below:

Interest Rate Risk

The Group is exposed to movements in market interest rates on short term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The Group does not have short or long term debt, and therefore this risk is minimal. An analysis by maturities is provided in (i) below.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group entity has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The credit risk on financial assets of the Group is reflected in those assets' carrying amount net of any provisions for impairment

NOTES TO THE FINANCIAL STATEMENTS

2. FINANCIAL RISK MANAGEMENT (CONT)

The Group currently holds majority of their cash and cash equivalents with Westpac Banking Corporation with a credit rating of AA-. The Group believes the credit risk exposure to the single counterparty is manageable.

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's functional currency. The majority of expenses incurred are in AUD and therefore risk is not significant.

Concentration risk

The parent entity is exposed to concentration risk due to 99% of its term deposits being held within the one financial institution. The Group manages this risk through monitoring of the credit rating of the institution.

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate short term cash facilities are maintained. At the end of the period the group held deposits at call of $750,096 (2013: $886,580) and with maturities of three months or less of $6,024,240 (2013: $13,269,213), maturities with more than three months of $13,000,000 (2013 : nil) respectively, that are expected to readily generate cash inflows for managing liquidity risk.

(i) Interest rate risk exposures

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

		Fixed interest maturing in				
	Floating interest rate	1 year or less	Over 1 year less than 5	More than 5 years	Non-Interest bearing	Total
2014	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash at bank	750	-	-	-	-	750
Short Term bank deposits		6,024				6,024
Term deposits	-	13,000	-	-	-	13,000
Trade & other receivables	-	-	-	-	209	209
Other assets	-	-	-	-	225	225
	750	19,024	-	-	434	20,208
Weighted Average Interest Rate	1.99%	3.78%	-	-	-	-
Financial Liabilities						
Trade & other creditors	-	-	-	-	(1,065)	(1,065)
	-	-	-	-	(1,065)	(1,065)
Weighted Average Interest Rate	-	-	-	-	-	-
Net financial assets / (liabilities)	**750**	**19,024**	**-**	**-**	**(631)**	**19,143**

NOTES TO THE FINANCIAL STATEMENTS

2. FINANCIAL RISK MANAGEMENT (CONT)

		Fixed interest maturing in				
	Floating interest rate	1 year or less	Over 1 year less than 5	More than 5 years	Non-Interest bearing	Total
2013	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash at bank	887	-	-	-	-	887
Short term bank deposits	-	13,269	-	-	-	13,269
Trade & other receivables	-	-	-	-	212	212
Other assets	-	-	-	-	572	572
	887	13,269	-	-	784	14,940
Weighted Average Interest Rate	1.3%	4.45%	-	-	-	-
Financial Liabilities						
Trade & other creditors	-	-	-	-	(1,080)	(1,080)
	-	-	-	-	(1,080)	(1,080)
Weighted Average Interest Rate	-	-	-	-	-	-
Net financial assets (liabilities)	**887**	**13,269**	**-**	**-**	**(296)**	**13,860**

Sensitivity analysis

The Group has performed a sensitivity analysis in relation to interest income and movements in interest rates on financial assets and liabilities. The analysis highlights the effect on the current year's pre-tax loss which would have resulted from movement in interest rates with all other variables remaining constant.

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Change in loss		
- increase in interest rate by 1%	(199)	(142)
- decrease in interest rate by 1%	199	142

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) *Share based payment transactions*
The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined based on an appropriate valuation model prepared by an external valuer. Refer to note 26 for details of the assumptions applied by the external valuer.

NOTES TO THE FINANCIAL STATEMENTS

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT)

(ii) *Exploration and evaluation expenditure*

The Group's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to profit and loss.

Refer to note 12 for details of the judgement applied in the current period in relation to exploration and evaluation expenditure.

(iii) *Income taxes*

Judgement is required in assessing whether deferred tax assets and liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised. Refer to note 7 for details of the judgement applied in the current period in relation to income taxes.

4. SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The reportable segments are based on aggregated operating segments determined by the similarity of the economic characteristics, the nature of the activities and the regulatory environment in which those segments operate. Prior period information has been restated to reflect the current composition of reportable segments.

The consolidated entity has two reportable segments based on the development stage of the projects and the mineral resource and exploration activities in Africa. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

Activity by segment

Africa-Kanyika

The Africa-Kanyika segment includes the Kanyika Niobium project in Malawi with an estimated reserve of 68 million tonnes of niobium.

Africa-Exploration

The Africa-Exploration segment includes the following exploration projects:

- Machinga Niobium-Tantalum project in Malawi
- Salambidwe REE project in Malawi
- Chiziro Graphite project in Malawi

NOTES TO THE FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (CONT)

30 June 2014	**Africa-Kanyika $'000**	**Africa-Exploration $'000**	**Total $'000**
(i) Segment performance			
Year ended 30 June 2014			
Revenue	-	-	-
Total segment revenue	-	-	-
Segment result	**(646)**	**(1,554)**	**(2,200)**
Reconciliation of segment result to group net profit / (loss) before tax			
Other income			670
Other corporate expenses			(3,096)
Net loss before tax from continuing operations			**(4,626)**

(ii) Segment assets	**Africa-Kanyika**	**Africa-Exploration**	**Total**
As at 30 June 2014	**$'000**	**$'000**	**$'000**
Exploration expenditure	24,440	5,031	29,471
Plant and equipment	115	575	690
Other assets	126	246	372
Total Segment Assets	**24,681**	**5,852**	**30,533**
Reconciliation of segment assets to group assets			
Other corporate assets			20,249
Total group assets			**50,782**

	Africa-Kanyika $'000	**Africa-Exploration $'000**	**Total $'000**
(iii) Segment liabilities			
As at 30 June 2014			
Trade Creditors and Accruals	488	85	573
Total Segment liabilities	488	85	573
Reconciliation of segment liabilities to group liabilities			
Other liabilities			492
Total group liabilities			**1,065**

NOTES TO THE FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (CONT)

30 June 2013	Africa-Kanyika $'000	Africa-Exploration $'000	Total $'000
(i) Segment performance			
Year ended 30 June 2013			
Revenue	-	-	-
Total segment revenue	-	-	-
Segment result	**(266)**	**(7,953)**	**(8,219)**
Segment result includes the following material items:			
- Impairment of exploration and evaluation assets	-	(5,847)	(5,847)
Reconciliation of segment result to group net profit / (loss) before tax			
Other income			973
Other corporate expenses			(4,737)
Net loss before tax from continuing operations			**(11,983)**

(ii) Segment assets	**Africa-Kanyika**	**Africa-Exploration**	**Total**
As at 30 June 2013	**$'000**	**$'000**	**$'000**
Exploration expenditure	24,296	3,593	27,889
Plant and equipment	153	1,111	1,264
Other assets	150	353	503
Total Segment Assets	**24,599**	**5,057**	**29,656**
Reconciliation of segment assets to group assets			
Other corporate assets			15,049
Total group assets			**44,705**

	Africa-Kanyika $'000	Africa-Exploration $'000	Total $'000
(iii) Segment liabilities			
As at 30 June 2013			
Trade Creditors and Accruals	501	143	644
Total Segment liabilities	501	143	644
Reconciliation of segment liabilities to group liabilities			
Other liabilities			436
Total group liabilities			**1,080**

NOTES TO THE FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (CONT)

The Group operated in several geographical segments, being Australia and Africa, and in one industry, minerals mining and exploration.

Geographical Information

	Non-Current Assets	
	2014	2013
	$'000	$'000
Australia	296	428
Africa	30,161	29,153
Total	**30,457**	**29,581**

	Consolidated	
	2014	2013
	$'000	$'000
5. INCOME		
Interest income		
- Interest received and receivable	670	973
	670	973

	Consolidated	
	2014	2013
	$'000	$'000
6. EXPENSES		
Loss from operations before income tax has been determined after the following specific expenses:		
Capitalised exploration expenditure written off[(a)]	260	5,862
Operating lease expenses	209	312
Superannuation expenses	133	173
Depreciation	377	243
Foreign exchange differences	121	(27)
Redundancy costs/termination benefits	184	561
Finance Costs		
- Bank Charges	7	12
	7	12

[(a)]Refer to note 12 for details of impairment charge recognised during the year

NOTES TO THE FINANCIAL STATEMENTS

7. INCOME TAX EXPENSE

		Consolidated	
		2014 $'000	2013 $'000
a.	The components of tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
		-	-
b.	Deferred income tax/(revenue)		
	Deferred income tax/(revenue) included in tax expense comprises:		
	Increase in deferred tax assets	(1,525)	(1,509)
	Increase in deferred tax liabilities	1,525	1,509
		-	-

		Consolidated	
		2014 $'000	2013 $'000
c.	The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
	Loss before income tax	(4,626)	(11,983)
	Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2012: 30%)	1,387	3,595
	Adjust for tax effect of:		
	- Share based payments	(10)	(48)
	- Non-deductible tenement expenditure	-	(1,759)
	- Other non-deductible expenses	(263)	(541)
	- Capital raising costs	22	170
		1,136	1,417
	- Deferred tax assets not recognised	(1,136)	(1,417)
		-	-

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(b) the Group continues to comply with the conditions for deductibility imposed by law; and
(c) no changes in income tax legislation adversely affect the Group in utilising the benefits.

		2014	2013
d.	Deferred tax assets /(liabilities) comprise:		
	Interest receivable	(13)	(36)
	Tax losses available for offset against future taxable income	5,222	3,720
	Net deferred tax assets	5,209	3,684
	Deferred tax assets not recognised	(5,209)	(3,684)
		-	-

NOTES TO THE FINANCIAL STATEMENTS

8. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS

	Consolidated 2014 $'000	Consolidated 2013 $'000
Cash at bank	750	887
Short term bank deposits	6,024	13,269
	6,774	**14,156**
Term Deposits*	13,000	-
	13,000	**-**

The Group's exposure to interest rate risk and credit risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalent and term deposits mentioned above.

*Term Deposits refers to six monthly or longer term deposits.

9. TRADE AND OTHER RECEIVABLES

	Consolidated 2014 $'000	Consolidated 2013 $'000
Current		
GST Receivable	89	97
Trade Debtors	19	8
Tax Receivable	26	34
VAT Receivable	75	73
	209	**212**

Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value. The group's impairment and other accounting policies for trade and other receivables are outlined in note 1(h).

Information about the group's exposure to credit risk, foreign exchange and interest rate risk is provided in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset mentioned above.

10. OTHER ASSETS

	Consolidated 2014 $'000	Consolidated 2013 $'000
Current		
Prepayments	107	167
Accrued Interest Income	44	205
Security Deposits	181	367
Other	10	17
	342	**756**

NOTES TO THE FINANCIAL STATEMENTS

11. PLANT AND EQUIPMENT

	Plant & Equipment $'000	Other $'000	Total $'000
Year ended 30 June 2013			
Opening net book amount	1,399	218	1,617
Additions	594	123	717
Disposals	(451)	(24)	(475)
Depreciation charge	(206)	(37)	(243)
Closing net book amount	1,336	280	1,616
At 30 June 2013			
Cost	1,847	400	2,247
Accumulated depreciation	(511)	(120)	(631)
Net book amount	1,336	280	1,616
Year ended 30 June 2014			
Opening net book amount	1,336	280	1,616
Additions	22	61	83
Disposals	(353)	(29)	(382)
Depreciation charge	(270)	(107)	(377)
Closing net book amount	735	205	940
At 30 June 2014			
Cost	1,247	370	1,617
Accumulated depreciation	(512)	(165)	(677)
Net book value	735	205	940

12. EXPLORATION AND EVALUATION EXPENDITURE

	2014 $'000	2013 $'000
Non-Current		
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases – at cost	**29,471**	**27,889**
Opening balance	27,889	23,988
Reclassification to Property, Plant & Equipment		-
Exploration expenditure capitalised during the year	1,842	9,763
Exploration expenditure written off[(a)]	(260)	(5,862)
At reporting date	**29,471**	**27,889**

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the consolidated entity's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.
- no significant changes in laws and regulations that greatly impact the company's ability to maintain tenure.

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to indigenous people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

(a) Exploration expenditure written off relates to Mt Muambe and Memba projects in Mozambique that have previously been impaired.

NOTES TO THE FINANCIAL STATEMENTS

	2014 $'000	2013 $'000
13. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	79	104
Other creditors and accruals	894	780
Employee benefit provisions	92	196
	1,065	**1,080**

Non-interest bearing liabilities stated at cost and are predominantly settled within 30 days

14. CONTRIBUTED EQUITY

	Consolidated			
	2014		2013	
	$'000	Number	$'000	Number
Fully paid ordinary shares	80,825	469,729,062	70,110	220,339,131
	80,825	**469,729,062**	**70,110**	**220,339,131**

(a) Movements in fully paid ordinary shares on issue:

	Consolidated			
	2014		2013	
	$'000	Number	$'000	Number
At beginning of reporting period:	70,110	220,339,131	70,338	222,559,805
Shares Issued	11,513	249,389,931		
Shares bought back	-	-	(372)	(3,360,674)
Share Based Payments (Refer Note 26)	-	-	144	1,140,000
Less: Capital Raising Expenses	(798)	-	-	-
Balance at end of reporting period	**80,825**	**469,729,062**	**70,110**	**220,339,131**

Management of Share Capital

The Directors primary objectivity is to maintain a capital structure that ensures the lowest cost of capital available to the Group. At reporting date, the Group has no external borrowings.

The Group is not subject to any externally imposed capital requirements.

Share Buy-Back
The share buy-back program was completed on 24 May 2013. During the buy-back program the Company bought 5,810,674 shares on-market for a total cost of $677,451. The share buy-back program was commenced on 14 June 2012, following approval from the Australian Foreign Investment Review Board to buy back up to 10,080,674 shares, or approximately 5% of contributed equity. The highest price paid was 15 cents on 14 June 2012 and the lowest price paid was 6.4 cents on 20 May 2013.

There is no current on-market buy back.

Capital Risk Management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

NOTES TO THE FINANCIAL STATEMENTS

14. CONTRIBUTED EQUITY (CONT)

(a) Movements in fully paid ordinary shares on issue (cont)
In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends, return capital to shareholders, issue/buy-back shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of investment. The consolidated entity is not currently pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2013 annual report.

(b) Terms of Ordinary Shares
Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. The fully paid ordinary shares have no par value.

At shareholders meetings each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

At the end of reporting period, there are 469,729,062 shares on issue.

(c) Terms of Options

At the end of reporting period, there were 9,450,000 options over unissued shares as follows:
- 350,000 unlisted options, exercisable at $0.30 on or before 1 September 2014
- 200,000 unlisted options, exercisable at $0.25 on or before 26 October 2014
- 600,000 unlisted options, exercisable at $0.15 on or before 29 November 2014
- 500,000 unlisted options, exercisable at $0.26 on or before 29 November 2014
- 3,800,000 unlisted options, exercisable at $0.001 on or before 31 January 2015, with performance hurdles.
- 1,000,000 unlisted options, exercisable at $0.10 on or before 30 June 2017, with performance hurdles.
- 1,000,000 unlisted options, exercisable at $0.15 on or before 30 June 2018, with performance hurdles.
- 1,000,000 unlisted options, exercisable at $0.20 on or before 30 June 2019, with performance hurdles.
- 1,000,000 unlisted options, exercisable at $0.25 on or before 30 June 2020, with performance hurdles.

15. OTHER RESERVES & ACCUMULATED LOSSES

	Consolidated 2014 $'000	Consolidated 2013 $'000
(a) Reserves		
Share based payments reserve	2,713	2,680
Available-for-sale financial assets reserve	(34)	(4)
	2,679	**2,676**
Movements:		
Share based payments reserve		
Balance at beginning of financial period	2,680	2,649
Option expense (Refer note 26)	33	31
Equity benefit expense	-	-
Balance at end of financial period	2,713	2,680
Available-for-sale financial assets reserve		
Balance at beginning of financial period	(4)	-
Revaluation	(30)	(4)
Balance at end of financial period	(34)	(4)

NOTES TO THE FINANCIAL STATEMENTS

15. OTHER RESERVES & ACCUMULATED LOSSES (CONT)

The share based payments reserve records items recognised as expenses on valuation of employee share options and performance shares.

Terms of Class 'B' Performance Shares

Class 'B' Performance shares do not participate in dividends or the proceeds on winding up of the Company. The shares could only be converted to ordinary shares if certain milestones are achieved before 30 June 2014.

A holder is not entitled to vote on any resolutions proposed at a general meeting of the Company other than in the following circumstances: (i) on a proposal to reduce the Company's share capital; (ii) on a resolution to approve the terms of a buy-back agreement; (iii) on a proposal that affects the rights attached to Class 'B' Performance Shares; (iv) on a proposal to wind up the Company; (v) on a proposal for the disposal of the whole of the Company's property, business and undertaking; and (vi) during the winding up of the Company.

At the end of reporting period, there are no Class 'B' Performance shares on issue (2013: 3,000,000).

	Consolidated	
	2014 **$'000**	**2013** **$'000**
(b) Accumulated losses		
Accumulated losses at the beginning of the financial period	(29,161)	(17,178)
Net loss attributable to members	(4,626)	(11,983)
Accumulated losses at the end of the financial period	**(33,787)**	**(29,161)**

16. INTERESTS IN CONTROLLED ENTITIES

Controlled entities consolidated
The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 1(a):

Name	**Country of Incorporation**	**Class of Shares**	**Equity Holding ***	
			2014	**2013**
Globe Uranium (Argentina) S.A.	Argentina	Ordinary	100%	100%
Globe Metals & Mining (Africa) Limited	Malawi	Ordinary	100%	100%
Globe Metals & Mining Mozambique Limitada	Mozambique	Ordinary	100%	100%
Globe Metals & Mining (Exploration) Limited	Malawi	Ordinary	100%	100%

* Percentage of voting power is in proportion to ownership.

17. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid during the year. No recommendation for payment of dividends has been made.

NOTES TO THE FINANCIAL STATEMENTS

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of key management personnel

The following persons were key management personnel of Globe Metals & Mining Limited during the financial year:-

Alice Wong	Non-Executive Chairperson (appointed Non-Executive director 11 October 2013 and Chairperson 31 January 2014)
Alistair Stephens	Managing Director and CEO
Shasha Lu	Deputy CEO and Executive Director
William Hayden	Non-Executive Director
Jingbin Tian	Non-Executive Director
Bo Tan	Non-Executive Director (appointed 9 October 2013)
Alex Ko	Non-Executive Director (appointed 10 February 2014)
Kerry Angel	CFO and Company Secretary
Fergus Jockel	Exploration Manager
Yi Shao	Non-Executive Chairman (resigned 6 January 2014)
Peter Stephens	Non-Executive Director (resigned 13 January 2014)
Leslie Middleditch	Project Manager (resigned 31 July 2013)

	Consolidated	
	2014	**2013**
	$'000	**$'000**
Short term employee benefits	1,537	1,898
Termination benefits	145	365
Post employment	63	109
Share-based payment	35	46
	1,780	**2,418**

Detailed remuneration disclosures are provided in the remuneration report on pages 9 to 17.

(b) Loans to key management personnel

- There was an outstanding unsecured loan of $13,612 at the end of the reporting period to Mr Alistair Stephens. There were no other unsecured loans to key management personnel outstanding at 30 June 2014 (2013:$nil).

(c) Other transactions with key management personnel

- In the prior year a total of $4,792 was paid during the financial year to Kamuzu Nominees (wholly owned by Mr Mark Sumich) in respect of Sydney office rent.
- In the prior year Directors were paid consultancy fees for work provided that was additional to their normal director's responsibilities. Yi Shao $19,375; Jingbin Tian $20,000; William Hayden $17,202 and Peter Stephens $12,615.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated	
	2014	2013
	$'000	$'000
19. AUDITORS' REMUNERATION		
PricewaterhouseCoopers Australia		
- Audit and reviewing of financial reports	119	99
- Other services	36	45
Network firms of PricewaterhouseCoopers Australia		
- Audit and review of financial reports	27	51
- Other services	21	95
	203	**290**

20. CONTINGENT LIABILITIES

In the opinion of the directors there were no contingent liabilities at 30 June 2014 (30 June 2013: nil), and the interval between 30 June 2014 and the date of this report.

21. COMMITMENTS

(a) Exploration commitments

In order to maintain current rights of tenure to mining tenements, the Group has the following exploration expenditure requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	Consolidated	
	2014	2013
	$'000	$'000
Not longer than one year	2,736	1,832
Longer than one year, but not longer than five years	430	163
Longer than five years	-	-
	3,166	**1,995**

If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

(b) Operating lease expenditure commitments

	Consolidated	
	2014	2013
	$'000	$'000
Not longer than one year	179	177
Longer than one year, but not longer than five years	105	40
Longer than five years	-	-
	284	**217**

Operating lease expenses relate to the leases for the office accommodation for Perth and Malawi.

NOTES TO THE FINANCIAL STATEMENTS

22. RELATED PARTY DISCLOSURES

(a) *Parent entity*
The ultimate parent entity of the Group is Globe Metals & Mining Limited.

(b) *Key management personnel*
Disclosures relating to key management personnel are set out in note 18.

(c) *Other related party transactions:*

(i) In the prior year a total of $4,792 was paid during the financial year to Kamuzu Nominees (wholly owned by Mr Mark Sumich) in respect of Sydney office rent.

(ii) On 7 May 2013 Globe announced an MOU with ECE, its then major shareholder, to fund exploration activity. The announcement advised that Globe was to reimburse costs to ECE upon identification of JORC resource and commission of a pre-feasibility study. Globe incurred costs of US$148,967 in supporting ECE's exploration activities. The MOU expired on 31 December 2013 and was not extended.

(d) *Terms and conditions*
All transactions were made on normal commercial terms and conditions and at market rates.

23. EVENTS SUBSEQUENT TO REPORTING DATE

No other matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

24. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2014	**2013**
	$'000	**$'000**
(a) Reconciliation of cash flow used in operations with loss after tax		
- Loss after income tax	(4,626)	(11,983)
Non-cash flows in loss from operations		
- Exploration expenditure written off	160	5,862
- Depreciation	377	243
- Share based payments	33	159
- Net (profit)/loss on disposal of fixed assets	263	(29)
- Doubtful debts expense	4	144
Changes in assets and liabilities		
- (Increase)/decrease in receivables and other current assets	547	58
- Exploration and evaluation expenditure reclassification to fixed assets		-
- Increase/(decrease) in trade and other payables	(42)	(251)
Net cash outflows from operating activities	**(3,284)**	**(5,797)**

(b) Non cash investing and financing activities
There were no non cash investing and financing activities during the year.

NOTES TO THE FINANCIAL STATEMENTS

25. EARNINGS PER SHARE

		Consolidated 2014 $'000	Consolidated 2013 $'000
(a)	Loss used in the calculation of basic and diluted loss per share	(4,626)	(11,983)
		Number of Shares	Number of Shares
(b)	Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share:	358,324,607	222,019,778

Options have not been included in the Earning per Share calculation as they are anti-dilutive.

26. SHARE BASED PAYMENTS

	Consolidated 2014 $'000	Consolidated 2013 $'000
Shares [(a)]	-	128
Options [(b)]	33	31
	33	159

There are shares and options issued to employees as part of their compensation under the company's employee share option policies. Options are independently valued by corporate advisers using the Black-Scholes method.

Value per share is approximately the market price at date of the grant. All shares were granted subject to the attainment of performance and/or employment continuity criteria.

(a) There were no Compensation shares granted during the year ended 30 June 2014

Compensation shares granted during the year ended 30 June 2013

Personnel	Vested No.	Granted No.	Grant Date	Value per Share at Grant Date $	Terms & Conditions for Each Grant Vesting Date
Employees	915,000	915,000	02/07/12	0.14	02/07/12
Creditor	150,000	150,000	03/12/12	0.07	03/12/12
	1,065,000	**1,065,000**			

NOTES TO THE FINANCIAL STATEMENTS

26. SHARE BASED PAYMENTS (CONT)

(b) Movements in options on issue 2014:

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at 30 June 2014	Vested and exercisable at end of the year Number
								2014
30/09/2009	1/09/2014	$0.30	350,000	-	-		350,000	350,000
26/10/2009	26/10/2013	$0.25	200,000	-	-	(200,000)	-	-
26/10/2010	26/10/2014	$0.25	200,000	-	-		200,000	200,000
29/11/2010	29/11/2014	$0.15	600,000	-	-		600,000	600,000
29/11/2010	29/11/2014	$0.26	500,000	-	-		500,000	500,000
28/12/2012	29/11/2016	$0.15	600,000	-	-	(600,000)	-	-
28/12/2012	29/11/2016	$0.26	500,000	-	-	(500,000)	-	-
28/12/2012	31/01/2014	$0.001	250,000	-	-	(250,000)	-	-
28/12/2012	31/01/2014	$0.001	250,000	-	-	(250,000)	-	-
28/12/2012	31/01/2015	$0.001	250,000	-	-	(250,000)	-	-
28/12/2012	31/01/2015	$0.001	250,000	-	-	(250,000)	-	-
28/12/2012	31/01/2015	$0.001	3,000,000	-	-		3,000,000	-
28/12/2012	31/01/2015	$0.001	800,000	-	-		800,000	-
2/07/2013	30/06/2017	$0.100		1,000,000	-	-	1,000,000	-
2/07/2013	30/06/2018	$0.150		1,000,000	-	-	1,000,000	-
2/07/2013	30/06/2019	$0.200		1,000,000	-	-	1,000,000	-
2/07/2013	30/06/2020	$0.250		1,000,000	-	-	1,000,000	-
			7,750,000	4,000,000	-	(2,300,000)	9,450,000	1,650,000
Weighted average exercise price			$0.08	$0.175	$0.00	$0.12	$0.11	$0.23

Movements in options on issue 2013

Grant Date	Expiry Date	Exercise Price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Balance at 30 June 2013	Vested and exercisable at end of the year Number
								2013
21/07/2009	20/07/2013	$0.15	600,000	-	-	(600,000)	-	-
30/09/2009	1/09/2014	$0.30	350,000	-	-		350,000	350,000
26/10/2009	26/10/2013	$0.25	200,000	-	-		200,000	200,000
26/10/2010	26/10/2014	$0.25	200,000	-	-		200,000	200,000
11/02/2010	1/03/2013	$0.25	200,000	-	-	(200,000)	-	-
11/02/2010	1/03/2013	$0.25	200,000	-	-	(200,000)	-	-
29/11/2010	29/11/2014	$0.15	600,000	-	-		600,000	600,000
29/11/2010	29/11/2014	$0.26	500,000	-	-		500,000	500,000
3/10/2011	30/06/2014	$0.35	300,000	-	-	(300,000)	-	-
3/10/2011	30/06/2014	$0.35	300,000	-	-	(300,000)	-	-
28/12/2012	29/11/2016	$0.15	-	600,000	-		600,000	-
28/12/2012	29/11/2016	$0.26	-	500,000	-		500,000	-
28/12/2012	31/01/2014	$0.001	-	250,000	-		250,000	-
28/12/2012	31/01/2014	$0.001	-	250,000	-		250,000	-
28/12/2012	31/01/2015	$0.001	-	250,000	-		250,000	-
28/12/2012	31/01/2015	$0.001	-	250,000	-		250,000	-
28/12/2012	31/01/2015	$0.001	-	3,000,000	-		3,000,000	-
28/12/2012	31/01/2015	$0.001	-	800,000	-		800,000	-
			3,450,000	5,900,000	-	(1,600,000)	7,750,000	1,850,000
Weighted average exercise price			$0.12	$0.10	$0.00	$0.25	$0.08	$0.23

NOTES TO THE FINANCIAL STATEMENTS

26. SHARE BASED PAYMENTS (CONT)

Compensation options granted during the year ended 30 June 2014

					Terms & Conditions for Each Grant		
	Vested No.	**Granted No.**	**Grant Date**	**Value per Option at Grant Date**	**Exercise Price**	**First Exercise Date**	**Last Exercise Date**
				$	**$**		
Alistair Stephens	-	1,000,000	02/07/2013	0.00	0.100	01/07/2014	30/06/2017
Alistair Stephens	-	1,000,000	02/07/2013	0.00	0.150	01/07/2015	30/06/2018
Alistair Stephens	-	1,000,000	02/07/2013	0.00	0.200	01/07/2016	30/06/2019
Alistair Stephens	-	1,000,000	02/07/2013	0.00	0.250	01/07/2017	30/06/2020
	-	**4,000,000**					

All options were granted for nil consideration. For options granted during the current financial year, the valuation model inputs used to determine fair value at the grant date are as follows:

Inputs	**Options Expiring 30 June 2017**
Underlying security spot price	$0.053
Exercise price	$0.100
Issue date	2/7/2013
Expiration date	30/06/2017
Life of the Options	4 yrs
Approximate Volatility	65%
Risk free rate	3.00%
Dividend rate	Nil
Value per option	$0.00
Number of options	1,000,000
Total value	**$nil**

Inputs	**Options Expiring 30 June 2018**
Underlying security spot price	$0.053
Exercise price	$0.150
Issue date	2/7/2013
Expiration date	30/06/2018
Life of the Options	5 yrs
Approximate Volatility	65%
Risk free rate	3.11%
Dividend rate	Nil
Value per option	$0.00
Number of options	1,000,000
Total value	**$nil**

Inputs	**Options Expiring 30 June 2019**
Underlying security spot price	$0.053
Exercise price	$0.200
Issue date	2/7/2013
Expiration date	30/06/2019
Life of the Options	6 yrs
Approximate Volatility	65%
Risk free rate	3.29%
Dividend rate	Nil
Value per option	$0.00
Number of options	1,000,000
Total value	**$nil**

NOTES TO THE FINANCIAL STATEMENTS

26. SHARE BASED PAYMENTS (CONT)

Inputs	Options Expiring 30 June 2020
Underlying security spot price	$0.053
Exercise price	$0.250
Issue date	2/7/2013
Expiration date	30/06/2020
Life of the Options	7 yrs
Approximate Volatility	65%
Risk free rate	3.47%
Dividend rate	Nil
Value per option	$0.00
Number of options	1,000,000
Total value	**$nil**

The value per option at grant date is determined by an independent valuation by corporate advisers using a Black-Scholes option pricing model and a Monte Carlo model to determine if the vesting conditions may be met.

Compensation options granted during the year ended 30 June 2013

				Terms & Conditions for Each Grant			
	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date	Exercise Price	First Exercise Date	Last Exercise Date
				$	$		
Peter Stephens	-	500,000	28/12/2012	0.028	0.260	29/11/2014	29/11/2016
Peter Stephens	-	600,000	28/12/2012	0.020	0.150	29/11/2014	29/11/2016
Shasha Lu	-	250,000	28/12/2012	0.065	0.001	31/12/2013	31/01/2014
Shasha Lu	-	250,000	28/12/2012	0.001	0.001	31/12/2013	31/01/2014
Shasha Lu	-	250,000	28/12/2012	0.000	0.001	31/12/2013	31/01/2014
Shasha Lu	-	250,000	28/12/2012	0.000	0.001	31/12/2013	31/01/2014
Shasha Lu	-	3,000,000	28/12/2012	0.001	0.001	31/12/2014	31/01/2015
Shasha Lu	-	800,000	28/12/2012	0.065	0.345	31/12/2014	31/01/2015
	-	**5,900,000**					

Exercise price equals the approximate market price at date of the grant. All options were granted for nil consideration.

Inputs	Options Expiring 29 November 2016
Underlying security spot price	$0.07
Exercise price	$0.15 to $0.26
Issue date	28/12/2012
Expiration date	29/11/2016
Life of the Options	3.92 yrs
Approximate Volatility	75%
Risk free rate	2.86%
Dividend rate	Nil
Value per option	$0.020 to 0.028
Number of options	1,100,000
Total value	**$26,000**

NOTES TO THE FINANCIAL STATEMENTS

26. SHARE BASED PAYMENTS (CONT)

Inputs	**Options Expiring 31 January 2014 and 31 January 2015**
Underlying security spot price	$0.07
Exercise price	$0.001
Issue date	28/12/2012
Expiration date	31/01/2014 and 31/01/2015
Life of the Options	2.08 yrs and 3.08 yrs
Approximate Volatility	75%
Risk free rate	2.73%
Dividend rate	Nil
Value per option	$0.0065/$0.001/$0.000
Number of options	4,800,000
Total value	**$71,500**

Options Cancelled
2,300,000 options lapsed during the reporting period ended 30 June 2014, including 1,100,000 options which were cancelled due to termination of employment (2013: 1,000,000).

Options Exercised
No options were exercised during the reporting period ended 30 June 2014 (2013: Nil).

27. PARENT ENTITY INFORMATION

Statement of comprehensive income

	Parent	
	2014	**2013**
	$'000	**$'000**
Loss after income tax	(9,790)	(11,361)
Total comprehensive loss	(9,820)	(11,365)

Statement of financial position

	Parent	
	2014	**2013**
	$'000	**$'000**
Total current assets	19,954	14,028
Total assets	41,590	41,578
Total current liabilities	499	436
Total liabilities	499	436
Net assets	41,091	41,142
Equity		
Contributed equity	80,825	70,141
Reserves	2,679	2,645
Accumulated losses	(42,413)	(31,644)
Total equity	41,091	41,142

NOTES TO THE FINANCIAL STATEMENTS

27. PARENT ENTITY INFORMATION (CONT)

Guarantees entered into by the parent entity
The parent entity had no guarantees as of 30 June 2014 and 30 June 2013.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2014 and 30 June 2013.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2014 and 30 June 2013.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 27 to 62 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial year ended on that date, and

b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Alistair Stephens
Managing Director

Dated 26th day of September 2014

Independent auditor's report to the members of Globe Metals and Mining Limited

Report on the financial report

We have audited the accompanying financial report of Globe Metals and Mining Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Globe Metals and Mining Limited Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Auditor's opinion

In our opinion:

(a) the financial report of Globe Metals and Mining Limited is in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001.*

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 9 to 17 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Globe Metals and Mining Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001.*

PricewaterhouseCoopers

PricewaterhouseCoopers

Ben Gargett
Partner

Perth
26 September 2014