Level 3, 1060 Hay St
West Perth WA 6005

PO Box 1811
West Perth WA 6872

T: +618 9486 1779
F: +618 9486 1718

W: www.globemetalsandmining.com.au
E: info@globemetalsandmining.com.au

ABN 33 114 400 609 ASX Code: GBE

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ASX/Media Announcement

Positive Scoping Study Results – Kanyika Project, Malawi

Globe Metals & Mining ("Globe") is pleased to announce the results of the Scoping Study ("Study") carried out by Coffey Mining Pty Ltd ("Coffey Mining") on its 100% owned multi-commodity (niobium, uranium, tantalum and zircon) Kanyika Project in central Malawi.

The Study primarily considered two levels of production of contained niobium metal (Nb) in a ferro-niobium alloy (FeNb), being 3,000t/year and 4,000t/year.

Highlights

(@ 4,000t Nb/year production; US$)

- **$3B revenue and $1.1B free cash flow over 20 year period**
- **High operating margins – $93M in yr 1, averaging $77M for the life of mine**
- **Modest upfront capex. – $177M**
- **Short capital payback period < 2 years**
- **Niobium the primary commodity – 20% p.a. consumption growth last 5 yrs**
- **Financial returns have potential to improve significantly with further work**
- **Globe positioning itself for strategic alliance and off-take partner**

Production	**3,000t/year Nb**		**4,000t/year Nb**	
Initial Capex.	US$156M		US$177M	
	Year 1	Year 20	Year 1	Year 20
Mill Feed	1.7Mt	2.6Mt	2.2Mt	3.5Mt
Strip Ratio (waste:ore)	0.5	0.9	0.5	0.9
Revenue	US$112M	US$114M	US$150M	US$152M
Operating Expense	US$41M	US$63M	US$52M	US$80M
Operating Margin*	US$71M	US$50M	US$98M	US$72M
Capital Payback	< 2.5yrs		< 2yrs	

** Excludes royalties and maintenance capital expenditure*

Summary

Coffey Mining has completed the Study into the economic potential of Globe's Kanyika Project.

The Study modelled an open-pit mining operation, and the on-site production of marketable products, being primarily a ferro-niobium alloy, and also high-purity metal oxides. An analysis of varying mill throughput volumes was also assessed. The Study was carried out with an order of accuracy of ±30% for mining costs and ± 50% for all other items.

Input parameters for the Study included results from initial metallurgical testwork conducted by SGS (Lakefield, Canada), the 56Mt Inferred JORC Resource estimated by Runge Limited and the environmental baseline study already completed by Coffey Natural Systems. Parameters for mining and processing operations, as well as transport and logistics, were developed by Coffey Mining.

Cashflow modeling was based on the actual Inferred Resource - Nb_2O_5 material grading >2,500 ppm is mined up to years 9 and 7 for the 3,000t and 4,000t Nb metal production scenarios respectively. After that point, further material at a grade of 2,500ppm Nb_2O_5 is mined from a combination of the remaining Inferred Resource material and further mineralisation that is assumed will be discovered through continuing exploration, to extend the project life to 20 years.

Results show that the Kanyika Project has the potential to become a very profitable operation with at least a 20 year mine life.

Globe's Managing Director, Mr. Mark Sumich, said "This is another significant milestone towards the development of a mine. Both revenues and cash flows are substantial over the life-of-mine, and just as importantly, the capital expenditure is modest and the capital payback period short".

"There is also significant additional upside potential to the financial returns – this could come from improved metallurgical recoveries from testwork which is presently underway, the extraction of uranium if feasible (testwork so far incomplete) and further exploration success at Kanyika."

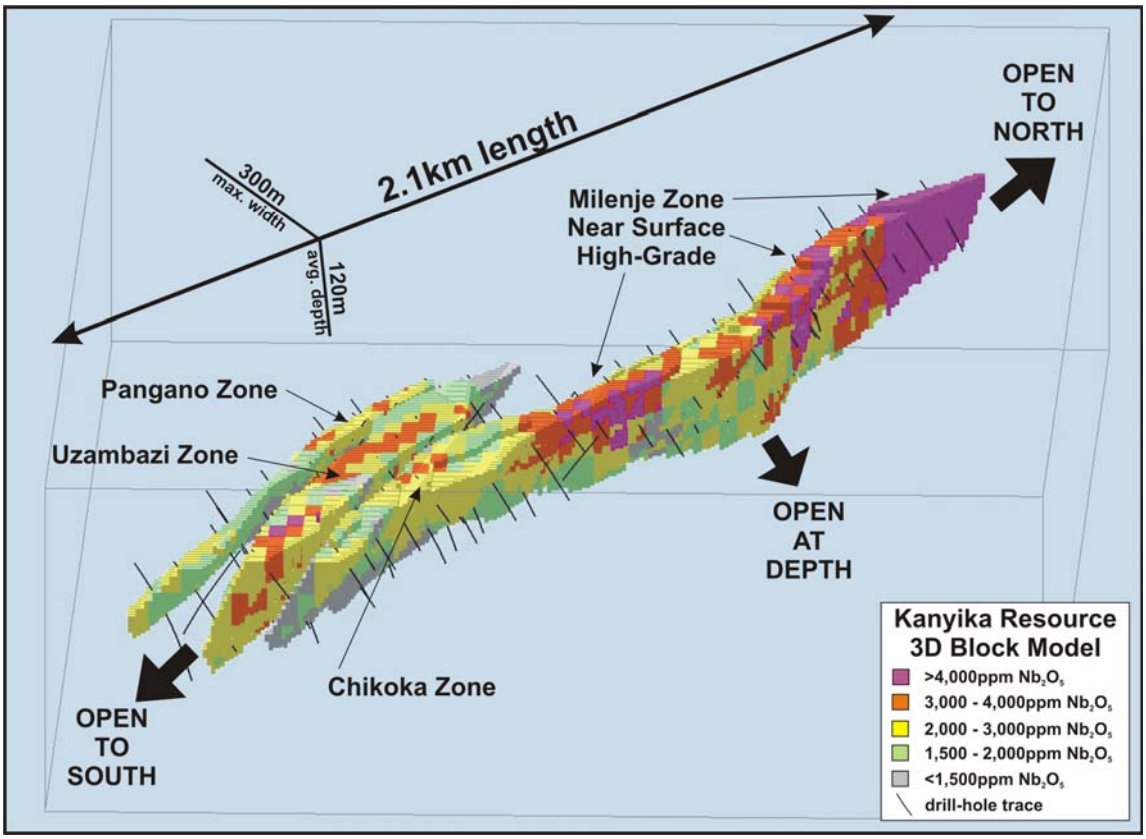

Figure 1: Kanyika Resource 3D Block Model *(View is toward the NW)*

Mining

The large tonnage of near surface resources at Kanyika dictate that material will be mined by conventional open pit method - drill and blast followed by load and haul. Drilling and blasting will be performed on benches between 5m and 10m in height. The mining fleet will consist of between 80t and 120t sized hydraulic excavators, 65t to 90t off-highway dump trucks and standard open pit drilling and auxiliary equipment.

The very low strip ratio (waste:ore) of between 0.5 and 0.9 over the planned life-of-mine is highly favourable for this type of open-pit operation. Several selected optimised pit shells prepared by Coffey Mining are presented in Figure 2 below.

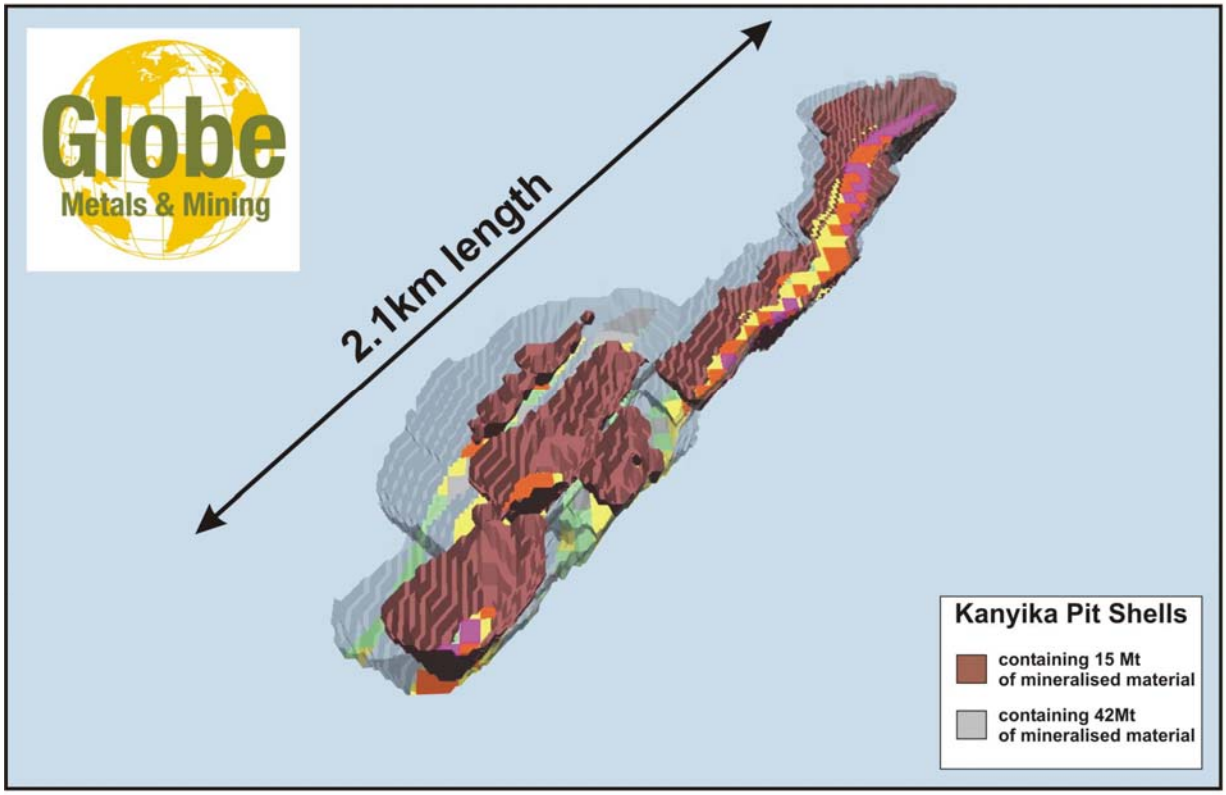

Figure 2: Kanyika Project Whittle Pit Shell Optimisations

Process Flow Sheet/Metallurgy

Initial metallurgical testwork has been undertaken on representative samples of material from the Kanyika deposit to define a process flow sheet for production of niobium, uranium, tantalum and zircon products.

The main proposed stages of processing are:

1. **Crushing** – The ore is crushed to a sand size in order to liberate the pyrochlore grains that contain the Nb, Ta and U, and the zircon grains that contain Zr.

2. **Gravity Concentration** – The pyrochlore and zircon are concentrated with gravity methods including spirals and riffle tables. Some of the less heavy gangue (waste) minerals are removed in this way. A zircon concentrate will also be produced at this stage.

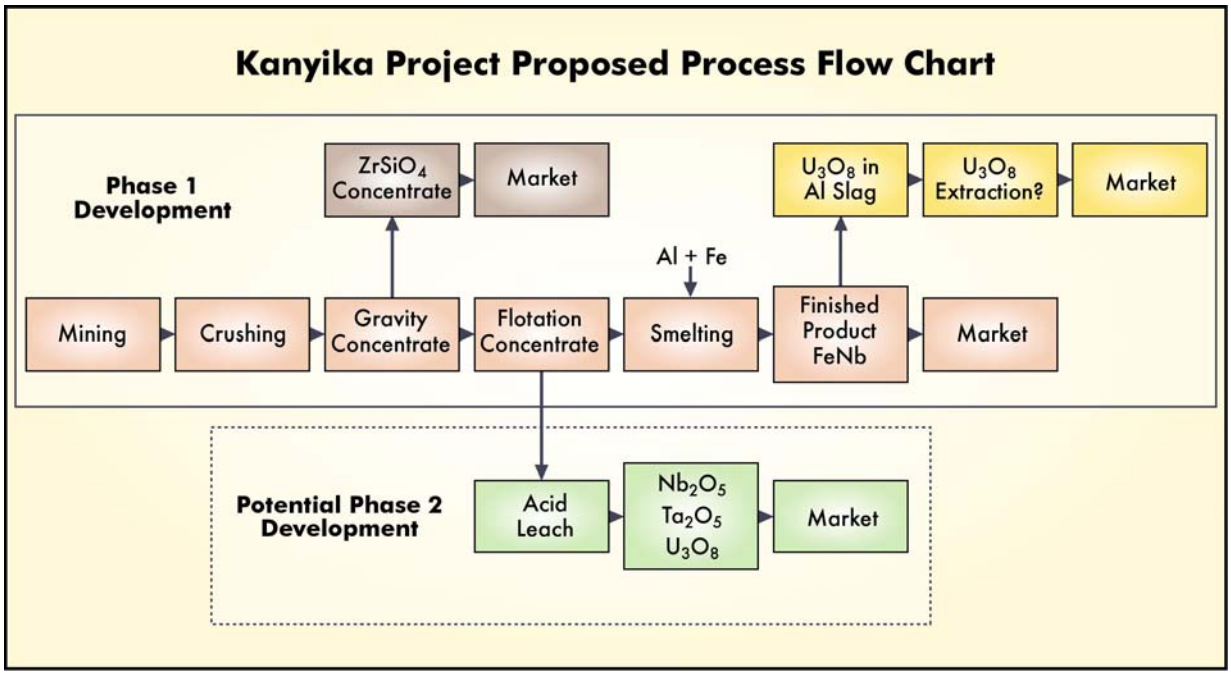

Figure 3: Kanyika Project Proposed Process Flow Chart

3. **Flotation** – From the gravity concentrate, a pyrochlore concentrate grading approximately 25% Nb_2O_5 and 1% Ta_2O_5 will be produced using conventional flotation techniques.

4. **Smelting** – The major product, a FeNb alloy with lesser amounts of tantalum, is produced via an aluminothermic reduction smelting process. The niobium combines with iron to form FeNb, whilst the U separates into the alumina-dominant slag.

The Study contemplates the same product being saleable to two separate markets. In the financial model, a majority of the FeNb is sold to the steel market, with the balance sold as an intermediate product to producers of high-purity niobium and tantalum oxides.

Metal Prices

Prices	**Scoping Study**	**Current Spot**
FeNb	US$35/kg Nb	US$55/kg+
Nb_2O_5	US$10/lb Nb_2O_5	US$13/lb+
Ta_2O_5	US$45/lb Ta_2O_5	US$47/lb
$ZrSiO_4$ (zircon)	US$600/tonne $ZrSiO_4$	~US$800/tonne

Note: prices are quoted using the format they are traded and priced in by the relevant markets

The Nb_2O_5 and Ta_2O_5 prices referred to above are raw concentrate prices. The FeNb sold as an intermediate product for further downstream processing is priced on its metal oxide content.

Globe requested that Coffey Mining use prices in the Study at a discount to spot prices in order to be prudent.

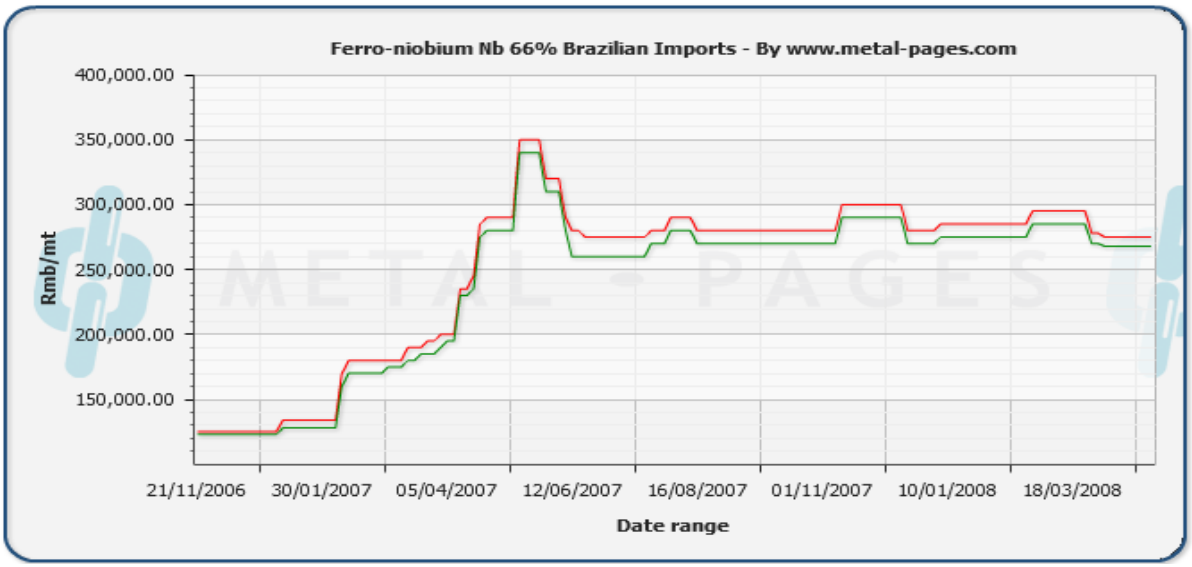

Figure 4: FeNb Price Chart

(1 USD = 7CNY; CNY 275,000 = US$39,300/t Nb content or US$39.3/kg Nb content)

Additional Upside Potential

The Study undertaken by Coffey Mining is conservative in some key respects, in part because some of those assumptions used in the Study were requested by Globe.

1. **Metallurgy** – The Scoping Study used actual metallurgical recovery rates achieved to date, relying upon initial work carried out by SGS (Lakefield, Canada).

   A further phase of metallurgical testing has however commenced, which is designed to optimise the gravity separation and flotation stages, and maximise both recovery rate and grades of the Nb-Ta-U (pyrochlore) concentrate. Perth-based mineral processing specialists, Nagrom, have been engaged for this work, and are being supervised by Globe's consulting metallurgist, John W. MacIntyre & Associates. The Company is confident this program will materially improve recovery rates above those achieved in the first-pass testwork (see Globe's ASX release of 26 May 2008).

2. **U_3O_8 Revenues** – The Study does not include any potential revenues from uranium oxide production (other than the downstream processing potential for a high-purity oxide – see 6 below). The metallurgical process adopted in the Study assumes that uranium reports to the slag during smelting of the pyrochlore concentrate and is not recovered (see Figure 3: Kanyika Project Proposed Process Flow Sheet above).

   Significant economic upside for the Project exists if uranium can be economically extracted from the slag. Metallurgical testwork to ascertain whether this is feasible is proposed to commence shortly.

3. **Further Exploration Success** – The 56Mt Inferred Resource at Kanyika has considerable potential to be enlarged by further exploration. The deposit is open at depth and along strike, most importantly, to the north of the high-grade Milenje Zone (see Figure 1: Kanyika Resource 3D Block Model).

   Discovery of further higher-grade material at Kanyika (i.e. > ~3,000ppm Nb_2O_5) will greatly improve the operating costs and/or revenues modelled in the Study and potentially extend the mine life considerably.

4. **Metal Prices** – The primary marketable commodity at Kanyika is niobium, and sensitivity analyses show the niobium price is the single largest variable that affects the Kanyika Project cash flows and valuation.

The niobium prices used in the Study are substantially below current spot prices (see "Metal Prices" section above). A conservative approach to pricing was adopted because of the marked increases in prices (and demand) over the last 3 to 5 years. Should prices remain at or near current spot levels for an extended period of time, the potential improvement to the modelled cash flows and valuations would be significant.

5. **Power** – The Study assumes Globe will be self-sufficient for power in Malawi, and would not rely on the domestic electricity grid. The Study assumes on-site generation of power using HFO (heavy fuel oil) or diesel generators.

   A number of developments are currently taking place in relation to Sub-Saharan energy and power infrastructure which have the potential to enhance Malawi's access to reliable sources of grid power over the medium term. The availability of reliable grid power would significantly reduce operating costs.

6. **Downstream Processing Option** – Coffey Mining also considered the option of a further stage of metallurgical processing, to produce high-purity niobium, tantalum and uranium oxides (see Figure 3: Kanyika Project Proposed Process Flow Chart above).

   The incremental cash flows and financial returns of this option are significant. Details are set out in the Appendix.

About Globe Metals & Mining

Globe Metals & Mining Limited is an African-focussed uranium and specialty metals resource company. Its lead project is the multi-commodity (niobium, uranium, tantalum and zircon) Kanyika Project in central Malawi, which contains a 56Mt Inferred Resource, announced in March 2008. The Company has a number of other uranium projects in Malawi and surrounding countries, which it manages from its regional exploration office in Lilongwe, the capital of Malawi.

The Company has been listed on ASX since December 2005, and has its corporate head office in Perth, Australia.

For further information please contact:

Mark Sumich, Managing Director, Globe Metals & Mining:	+61 8 9486 1779
Dean Richardson, Investor Relations Manager, Globe Metals & Mining:	+61 8 9486 1779
James Moses, Partner, Fortbridge Consulting:	+61 420 991 574

Competent Persons: *The contents of this report relating to geology and exploration results are based on information compiled by Dr. Julian Stephens, Member of the Australian Institute of Geoscientists and Exploration Manager for Globe Metals & Mining Limited. Dr. Stephens has sufficient experience related to the activity being undertaken to qualify as a "Competent Person", as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources & Ore Reserves, and consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.*

The contents of this report relating to engineering and metallurgy are based on information compiled by Messrs Harry Warries and Rodney Smith, both Members of the Australian Institute of Mining & Metallurgy (MAusIMM) and full-time employees of Coffey Mining. Messrs Warries and Smith both have sufficient experience related to the activity being undertaken to qualify as "Competent Persons", as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources & Ore Reserves. Both Messrs Warries and Smith consent to the inclusion in this report of the matters compiled by them in the form and context in which they appear.

Appendix – Main Scoping Study Assumptions & Parameters

Set out below is a non-exhaustive summary of the main assumptions and parameters adopted by Coffey Mining in the preparation of the Scoping Study, as well as other relevant information.

Financial

- *Calculated over a 20 year period using constant prices and costs.*
- *The Scoping Study is not a feasibility study. Financial information contained in the Scoping Study has been prepared by Coffey Mining on a "best estimate" basis, with +/- 30% variance for mining costs and +/- 50% variance for all other items.*
- *The corporate tax rate in Malawi is 30%. Assessment of the financial models beyond free cash flows have not been included in this document.*

Environmental and Social

- *Coffey Natural Systems have previously undertaken and completed an environmental "base line" study of the Kanyika and surrounding area, which is incorporated by reference into the Scoping Study.*
- *The Environmental Baseline Study assessed, among other things, the naturally occurring level of radioactive materials in soils, vegetation and water. This Study was commissioned by Globe as part of its responsibility to the surrounding communities and what it considers to be a part of the normal development of the Kanyika Project.*
- *Globe has undertaken significant exploration activities in Malawi over the last 24 months, and is one of the most active foreign mining and exploration companies in the Country. It holds four exploration licences totalling 1,757 sqkm, and during 2007 employed directly over the course of the year more than 60 skilled and unskilled Malawian personnel. The Company takes seriously its involvement in, and responsibility to, the local communities and environment in which it operates and the Country at large.*

Capital Expenditure

Initial Capital Expenditure	***3,000t/year Nb***	***4,000t/year Nb***
Processing Plant (physical and flotation)	*US$86m*	*US$104m*
Downstream (smelter)	*US$20m*	*US$20m*
Mining	*US$12m*	*US$12m*
General Infrastructure	*US$26m*	*US$26m*
Working Capital & Other	*US$12m*	*US$15m*
Total	***US$156m***	***US$177m***

Ongoing Capital Expenditure	***3,000t/year Nb***	***4,000t/year Nb***
Processing Plant upgrade: *- No.1* *- No.2*	*US$20m (yr 3)* *US$37m (yr 8)*	*US$37m (yr 3)* *US$30m (yr 6)*
Mining (yrs 7-17)	*US$29m*	*US$30m*
Sustaining Capital (per year)	*US$4.7m*	*US$5.2m*

- *Salvage costs and mine closure costs assumed to negate each other.*

- *Working capital investment recovered in year 20.*

Production

- *Cashflow modeling was based on the actual Inferred Resource - Nb_2O_5 material grading >2,500 ppm is mined up to years 9 and 7 for the 3,000t and 4,000t Nb metal production scenarios respectively. After that point, further material at a grade of 2,500ppm Nb_2O_5 is mined from a combination of the remaining Inferred Resource material and further mineralisation that is assumed will be discovered through continuing exploration, to extend the project life to 20 years.*

	3,000t/year Nb	***4,000t/year Nb***
Strip Ratio (yrs 1-20)	*0.5 – 0.9*	*0.5 – 0.9*
Mill Feed (yrs 1-20)	*1.7Mt – 2.6Mt*	*2.2Mt – 3.5Mt*
Metal Recovery (to concentrate):		
- Nb_2O_5	*72.9%*	*72.9%*
- Ta_2O_5	*65.9%*	*65.9%*
- U_3O_8	*72.9%*	*72.9%*
- $ZrSiO_4$	*85%*	*85%*
Concentrate Mass Recovery	*1.22%*	*1.22%*
Metal Recovery (downstream)	*90%*	*90%*
Metal Production:		
- Nb	*3,000t*	*4,000t*
- Ta_2O_5	*44t*	*59t*
- $ZrSiO_4$	*8,500t – 10,275t*	*11,400t – 13,700t*

- *The Ta_2O_5 production figure is an average over the 20 year period. The actual production levels will vary slightly from year to year as the metal oxide ratios vary slightly within the deposit. The $ZrSiO_4$ production figure increases from 8,500t/11,400t in year 1 to 10,275t/13,700t in year 9/7 and remains constant thereafter.*

Calculations for Converting Metal to Metal Oxide		
Nb_2O_5 to Nb	*multiply by*	*0.699*
Ta_2O_5 to Ta	*multiply by*	*0.819*
U_3O_8 to U	*multiply by*	*0.848*
$ZrSiO_4$ to Zr	*multiply by*	*0.740*
Nb to Nb_2O_5	*multiply by*	*1.431*
Ta to Ta_2O_5	*multiply by*	*1.221*
U to U_3O_8	*multiply by*	*1.179*
Zr to $ZrSiO_4$	*multiply by*	*1.351*

Revenues and Prices

- *Reported revenues are exclusive of royalties.*

- *U_3O_8 in the pyrochlore, on smelting, reports to the alumina slag and averages 115t/year and 153t/year under the two scenarios respectively. This is not included under the current Kanyika Project proposed process flow chart as revenue.*

- *Recovered revenues for sale of the FeNb to the intermediate and final markets are very similar, taking into account the prices adopted, tantalum credits for sales to the intermediate market, the niobium-tantalum ratio of mined ore (23:1) and the conversion factor for niobium oxide to metal.*

Operating Costs

Unit Processing Costs (US$/t)				
	1.5Mtpa	***2.0Mtpa***	***3.0Mtpa***	***4.0Mtpa***
Crushing	*$0.50*			
Grinding	*$1.20*			
Flotation	*$1.00*			
Power	*$6.63*			
Maintenance	*$1.50*			
Labour	*$1.50*			
Thickening	*$0.20*			
Reagents	*$1.00*			
Filtration	*$0.25*			
Grinding Media	*$0.70*			
Tailings Storage	*$0.25*			
Transport & Shipping	*$0.80*			
Total (Rounded)	***$16.00***	***$15.00***	***$14.00***	***$13.00***

Operating Costs – 1.7Mtpa		
	Unit	***$M***
Processing ($/t milled)	*16.00*	*$26.6*
Downstream Processing ($/t conc)	*100.00*	*$2.00*
Infrastructure Maintenance ($/t milled)	*0.74*	*$1.2*
G&A ($M/year)	*3.00*	*$3.00*
Mining ($/t mined) ($/t milled)	*2.40*	*$6.10*
Grade Control ($/t milled)	*0.50*	*$0.80*
Mine Supervision ($/t milled)	*0.60*	*$1.00*
Geotech/Hydro ($/t milled)	*0.10*	*$0.20*
Rehandle ($/t milled)	*0.30*	*$0.50*
Other	*0.00*	*$0.05*
Total (Rounded)		***$41.4***

Operating Costs ($M Approx.)	
1.7Mtpa	*$41*
1.9Mtpa	*$47*
2.2Mtpa	*$53*
2.4Mtpa	*$58*
2.6Mtpa	*$63*
2.9Mtpa	*$67*
3.1Mtpa	*$72*
3.5Mtpa	*$80*

Process Flow Sheet/Metallurgy

- *Zircon Extraction – The testwork to conclusively demonstrate the successful metallurgical extraction of the zircon concentrate extraction is not yet complete, and the final product will require market assessment and acceptance in relation to its unique composition (impurities etc).*

- *FeNb Production – Globe has not at this point carried out pyrometallurgical/smelter testwork in relation to the production of saleable FeNb from pyrochlore concentrate. The proposed process route is aluminothermic reduction, which is the same process used by some of the other ferro-niobium producers. Note also that in addition to metallurgical testing and validation of this part of the proposed process flow sheet, market acceptability of the products proposed to be produced has not yet been demonstrated, which is typical for rare and specialty metal deposits of this type at this stage of development. Relevant considerations may include, for example, the level of uranium, zircon, tantalum and other naturally occurring elements that may be present in the final ferro-alloy. Moreover, the acceptability of the final ferro-alloy may vary between markets, as product specifications and end-user requirements are not ubiquitous.*

- *Uranium Extraction – Uranium extraction may be economically viable by re-grinding and acid leaching the alumina slag. As mentioned, this has not been examined in detail and revenue from uranium produced in this way is not included in this Study. However, the revenue from possible production of uranium in this manner represents significant potential future upside for the Kanyika Project.*

  In relation to the treatment of the radioactive waste slag, an assumption has been made that if the uranium levels are uneconomic, then the radiation levels would likely be of a level similar to that of the natural background after dilution with the processed tailings. Alternatively, if the uranium content of the waste slag exceeded a level that could be readily stockpiled, then that same slag would be economic to process so as to recover the uranium for sale.

- *Processing – Processing throughput scenarios ranging from 1.5Mtpa to 4.0Mtpa have been assessed for a typical concentrator layout including crushing, grinding, flotation and filtration. Locked cycle flotation testwork produced a mass pull of approximately 1.2%, which provides a distinct advantage in terms of minimising the quantity of material requiring downstream processing. However, even if this mass pull was to increase by a factor of two, then those downstream processing options, including capital and operating costs, would not be significantly affected as the tonnages requiring processing remain low.*

  In summary, there are a number of processing options that can be applied to the Kanyika deposit, and there is considerable upside that may yet result from further optimisation of the processing route via laboratory testwork. The samples tested displayed amenability to the

production of viable niobium, tantalum and zircon concentrates that could be further processed or transported directly to customers.

Further Downstream Processing – High Purity Oxides

- *The Study also considered a further potential stage of development for the Kanyika Project, being the subsequent addition of processing capability to produce refined metal oxides (niobium, uranium and tantalum) from the pyrochlore concentrate. This is acid leaching the pyrochlore concentrate or ferro-niobium alloy and subjecting the leachate to solvent extraction (SX).*

- *For the purposes of the Study, it was assumed that pyrochlore concentrate intended for production of FeNb containing 1,000t of Nb metal would be processed by Globe using acid leach and SX technology.*

- *The figures shown below are incremental, above those applicable for producing 1,000t Nb metal in FeNb:*

Production	***1,000t/year Nb***
Capital Expenditure	*US$20m*
Mill Feed (yrs. 1-20)	*No change*
Annual Revenue (yrs. 1-20)	*US$24m*
Operating Cashflow (yrs. 1-20)	*US$24m*
Capital Payback Period	*< 1 yr*

- *The attractive cash flows for this additional processing option arise because of the similar operating costs for pyrometallurgical processing (to produce FeNb) as for acid leach processing, combined with higher recovered metal prices.*

Prices	***Scoping Study***	***Current Spot***
Nb metal (99.5%+ pure)	*US$50/kg*	*US$65/kg+*
Ta metal (99.5%+ pure)	*US$130/kg*	*US$160/kg+*
U_3O_8	*US$60/lb*	*US$58/lb*

Infrastructure

- *Power – total peak load is estimated at 9.0MVA for a mill throughput of 1.5Mtpa and 20MVA for a mill throughput of 4Mtpa. Electricity in Malawi is supplied and controlled by ESCOM. Discussions have taken place in relation to the supply of power to Kanyika. It was assumed, however, for the purposes of the Study that Globe would be self-sufficient for power.*

- *Water – consumption was conservatively estimated at 0.75t per tonne of ore milled. The Milenje River runs through the Kanyika area for nine months of the year. Ready access to raw and potable water is not expected to be problematic.*

- *Ports – Coffey Mining recommend products and supplies be routed via Dar-Es-Salaam in Tanzania or Durban in South Africa.*