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**ASX/Media Announcement**

**March Quarter 2011 Activities Report**

Globe Metals & Mining Limited ("Globe" or "the Company"; ASX: GBE) is pleased to present its March Quarter 2011 Activities Report:

**Highlights**

- **ECE strategic partnership and A\$47.85m fund raising completed**
- **Monte Muambe Fluorite/Heavy Rare Earth Project:**
  - Numerous very high-grade, near surface fluorite drill intersections reported from 14-hole RC program including:
    - MURC001 15m @ 43.6% fluorite (from surface)  
Inc. 10m @ 52.9% fluorite (from 4m)
    - MURC011 8m @ 47.6% fluorite (from surface)  
Inc. 4m @ 62.2% fluorite (from 3m)  
& 15m @ 41.1% fluorite (from 18m)  
Inc. 10m @ 54.8% fluorite (from 22m)
  - Fluorite mineralisation is interpreted to occur in multiple, sub-horizontal, stacked zones
  - Numerous associated zones of REO mineralisation in the three holes analysed with significant dysprosium and locally high HREO ratios with results including:
    - MURC001 8m @ 1.23% TREO, 10.9% HREO/TREO ratio with 102ppm Dy<sub>2</sub>O<sub>3</sub> (from 74m)
    - MURC011 11m @ 0.39% TREO, 38.4% HREO/TREO ratio with 104ppm Dy<sub>2</sub>O<sub>3</sub> (from 22m)
  - Recently completed ground radiometric survey reveals numerous significant REO targets
- **Kanyika Niobium Project – Power Feasibility Study:**
  - Mota-Engil to conduct a study into power options for the Kanyika Niobium Project, including hydro and diesel power
  - Study to assess technical and economic aspects of the supply of power to the Project, including a review of existing surveys of water flows and volumes in adjacent river systems
  - MOU between Globe and Mota-Engil for the supply of power to the Project by Mota-Engil



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# 1. ECE Strategic Partnership

## 1.1. Summary

The ECE strategic partnership and A\$47.85 million investment completed on 15 April 2011. The Company can now focus on three key areas of growth:

- Development of the Kanyika Niobium Project.
- Exploration of existing early-stage projects, such as the Mt. Muambe Fluorite/Heavy Rare Earths Project and the Machinga Rare Earths Project.
- Acquisition of advanced assets in Africa.

## 1.2. Globe's 'Open Source' Rare Earth Policy

As part of the ECE transaction, it is worth reiterating a key policy adopted by the Company.

In the lead-up to transaction approval, ECE gave to the Australian Foreign Investment and Review Board binding undertakings to the effect that any of Globe's product off-take agreements relating to rare earth products will occur on an arms length commercial basis, that any parties wanting to enter into off-take agreements will be given reasonable and commercial opportunity to negotiate, and that any revenues from the sale or supply of rare earth products will be directly referable to market prices.

Commenting on this 'open source' approach, ECE's Chairman, and now also Globe's Chairman, Mr. Shao Yi, said "we understand how important transparent and open supply arrangements with respect to rare metals, including rare earths, are to global industries and technology, so we were very happy to provide this undertaking to the Australian Government."

"It is worth noting that Brazil supplies over 90% of the world's niobium, and China's rapid industrialisation could not have taken place without open access to this critical input into sophisticated steels. Indeed, this is one of the primary reasons for our investment into Globe, to enable the Kanyika Niobium Project to come into production."

"We look forward to working with Globe to fully explore, and potentially develop, its exciting rare earth projects, and any future supply arrangements will always be determined on the basis of maximising shareholder value."

## 1.3. Board Changes

As notified in the Notice of Meeting for the EGM, a number of new appointees to the Globe Board come into effect from completion, being April 15.

### Mr Yi Shao – Chairman of Globe

Mr Yi Shao was appointed to be the Director General of ECE in August 2006. Prior to August 2006, Mr Yi Shao worked as General Manager in Jiangsu Aviation Industry Limited Company for three years and in Jiangsu Transportation Industry Limited Company for two years. Prior to that time, that he worked in International Tender Company for three years, holding a position of Director General. His previous experience also includes working as Deputy Mayor of Suqian City, Jiangsu Province from 1997 to 2001, Director and Head of Economic Research Institute of Jiangsu Development and Reform Commission from 1986 – 1994.

Mr Yi Shao is a senior economist and holds MA Degrees from Nanjing University, China. He is currently studying for a doctoral degree (Mineral Resources) in Central South University. He is also a part-time professor in both Southeast University and Nanjing University, and a research fellow in Ministry of Land and Resources of the People's Republic of China. Mr Yi Shao is the current president of Basketball Association of Jiangsu Province.

Mr Yi Shao is the Chairman of East China Non-Ferrous Investment Holding Corporation, ECE's wholly owned subsidiary which holds all business interests for ECE. He is also the chairman of Australian ECE Nolans Investment Limited and AO-Zhong.

#### **Mr Jianrong Xu – Non-Executive Director of Globe**

Mr Jianrong Xu is Deputy Director General of ECE.

Mr Jianrong Xu obtained his BA in geophysics from Central South University in 1983 and has worked with ECE since graduating. He had been working in Team 814 of ECE for almost 24 years and successively held the post of head of geophysics prospecting team, project manager, deputy director and director. In January 2007 he was appointed as Deputy Director General of ECE.

Mr Jianrong Xu is the current Deputy Managing Director of Jiangsu Geophysical Society, the Chairman of Hong Kong East China Non-Ferrous Mineral Resources Co Ltd, and the Chairman of Hong Kong East China Non-Ferrous International Mineral Development Co Ltd.

#### **Mr Peter Stephens – Non-Executive Director**

Mr Peter Stephens has nearly 30 years experience in senior financial roles in the construction, telecommunications, banking and corporate treasury, manufacturing and distribution sectors in Australia and across the Asia-Pacific region. He has previously worked in China in the telecommunications and digital media sectors.

Mr. Stephens is a former Independent Non-Executive Director and Chairman of the Audit Committee of Grange Resources, an ASX-listed iron ore mining company.

Mr Stephens has a Bachelor of Business (Accounting) from Royal Melbourne Institute of Technology and a Master of Business Administration from the University of Melbourne.

#### **Mr Jingbin Tian – Non-Executive Director**

Mr Jingbin Tian is Deputy Director of the Outward Investment Department of ECE.

Before taking his current position in January 2010, Mr Tian had been working with Jiangsu International Tender Company and leading 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.

Mr Tian holds BA, MA degrees in literature from Nanjing University, China and a LLM in international commercial law with distinction from Nottingham University, UK.

#### **Mr Youyu Zhang – Non-Executive Director**

Mr Zhang joined ECE in March 2007 and is the Division Director and Deputy CEO. Mr Zhang is also a director of Hongkong East China Mineral Resources Company, a subsidiary of ECE.

In April 1991 he got his MS degree from Northern Transportation University with a major in Road and Bridge Engineering and started his career in government departments of Jiangsu Province. Between Oct 1999 and Mar 2007 he held different positions respectively in the Jiangsu Provincial Headquarters of Highway Construction and Jiangsu Highway Corporation.

#### **Mr. Mark Sumich – Managing Director**

Mr Mark Sumich has resigned from his role as Executive Chairman of the Company, but is remaining as Managing Director of the Company.

## 2. Kanyika Niobium Project – Malawi

### 2.1. Power Feasibility Study – MOU with Mota Engil

Globe has entered into a Memorandum of Understanding with Mota-Engil to carry out a study into the technical and economic options for the supply of power to the Kanyika Niobium Project.

Mota-Engil is a Portuguese-based industrial conglomerate, with principal activities including civil engineering and infrastructure construction, energy and steel works, transport concessions, environmental services and logistics. It operates in Europe, North America, South America and Africa (Mozambique, Angola and Malawi). In Malawi alone, Mota-Engil employs over 2,000 people, with operations including contract mining for Paladin Energy's Kayelekera Uranium Mine and being recently named as the preferred bidder to run the Lake Malawi transport concession. 2009 revenues exceeded €2 billion ([www.mota-engil.pt](http://www.mota-engil.pt)).

Globe's Managing Director, Mr. Mark Sumich, said "we are happy to be working with Mota-Engil on the Kanyika Niobium Project. We have a long association with Mota-Engil in Malawi, and they have a significant presence in Sub-Saharan Africa, including Malawi."

#### Memorandum of Understanding

- Mota-Engil will carry out an assessment of the electrical power sources available to the Kanyika Niobium Project.
- The assessment will have two aspects – the technical solutions available, including but not limited to diesel and hydro power, as well as the economic and financial feasibility of the potential solutions.
- One of the renewable sources of power to be considered is hydro power, due to the proximity of the Project to the Bua and Dwangwa rivers (see Figure 1 below). Mota-Engil shall consider existing Government of Malawi survey data from these rivers for the purposes of determining their hydro production capacity.
- The final study will include a financial analysis of the available technical options, including capital and tariff rates.
- It is the intention of both parties that Globe will in the future engage Mota-Engil to supply power to the Kanyika Niobium Project. Globe is not obligated to pay Mota-Engil for the cost of the study unless this does not eventuate.

### 2.2. Kanyika Niobium Project – Accelerated Development

At the EGM, ECE affirmed its commitment to bringing Kanyika into production as soon as possible.

Globe's Chairman, Mr. Shao Yi, said "we intend to push Globe's management to meet the Project's development timetable, as this is critical to improving the Company's share price."

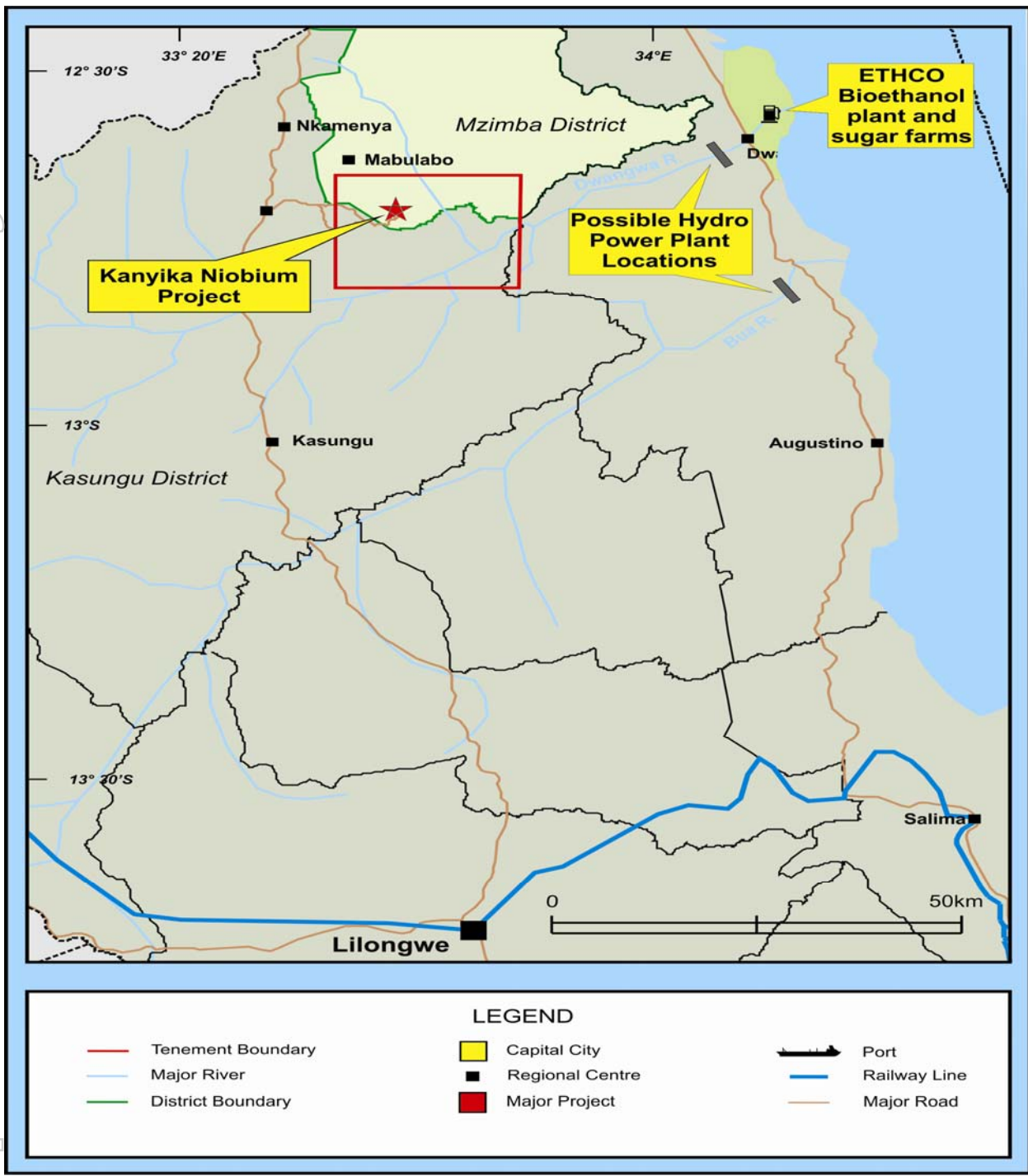


Figure 1: Possible Kanyika Niobium Project Hydro Power Locations

### 3. Mount Muambe Fluorite Project – Mozambique

#### 3.1. Maiden Drilling Program

During the quarter the Company announced analytical results for its maiden drilling program targeting fluorite mineralisation, also with REO, at the Mount Muambe Project in Mozambique. This program of 1,118m in 14 holes was targeted specifically at the known fluorite mineralisation present in surface trenches and outcrop. No holes on the pure REO targets identified by the Company (ASX Announcement 12<sup>th</sup> January 2011) were drilled because these require more surface definition by mapping and sampling before drilling.

The results from the completed drilling show multiple zones of high grade fluorite mineralisation at Mount Muambe. Significant grades of REO, with many zones having high HREO/TREO ratios, have also been intersected in the drilling.

For the purposes of general comparison, the Okoruso fluorite mine in Namibia has an average grade of 35%, and the Vergenoeg fluorite mine in South Africa has an average grade of 40%. The Witkop fluorite mine in South Africa, currently on care and maintenance, has an average fluorite grade of 15%.

#### Geology and Mineralisation

Initial observations show that on a broad scale fluorite-REO mineralisation is associated with a north-striking carbonatite/fenite contact. The majority of fluorite mineralisation appears to occur mainly in sub-horizontal screens of fenite surrounded by sill-like carbonatite sheets. Multiple zones of sub-horizontal fluorite-REO mineralisation occur and range from a few metres up to about twenty metres thick.

**Table 1. Significant fluorite drill intercepts – Mount Muambe**

| Hole ID        | From (m)  | To (m)    | Width (m) | CaF <sub>2</sub> |
|----------------|-----------|-----------|-----------|------------------|
| <b>MURC001</b> | <b>0</b>  | <b>15</b> | <b>15</b> | <b>43.6%</b>     |
| <b>Inc.</b>    | <b>4</b>  | <b>14</b> | <b>10</b> | <b>52.9%</b>     |
| MURC002        | 4         | 20        | 16        | 13.5%            |
|                | 46        | 50        | 4         | 19.9%            |
| <b>MURC003</b> | <b>0</b>  | <b>7</b>  | <b>7</b>  | <b>42.8%</b>     |
| <b>MURC004</b> | <b>0</b>  | <b>4</b>  | <b>4</b>  | <b>42.4%</b>     |
|                | 46        | 51        | 5         | 18.6%            |
| MURC005        | 14        | 20        | 6         | 13.1%            |
| MURC006        | 0         | 26        | 26        | 11.6%            |
| Inc.           | 20        | 23        | 3         | 19.7%            |
| <b>MURC009</b> | <b>0</b>  | <b>14</b> | <b>14</b> | <b>33.3%</b>     |
| <b>Inc.</b>    | <b>0</b>  | <b>7</b>  | <b>7</b>  | <b>41.5%</b>     |
|                | <b>29</b> | <b>33</b> | <b>4</b>  | <b>54.5%</b>     |
| MURC010        | 9         | 19        | 10        | 17.9%            |
| <b>MURC011</b> | <b>0</b>  | <b>8</b>  | <b>8</b>  | <b>47.6%</b>     |
| <b>Inc.</b>    | <b>3</b>  | <b>7</b>  | <b>4</b>  | <b>62.2%</b>     |
|                | <b>18</b> | <b>33</b> | <b>15</b> | <b>41.1%</b>     |
| <b>Inc.</b>    | <b>22</b> | <b>32</b> | <b>10</b> | <b>54.8%</b>     |
|                | 39        | 43        | 4         | 16.2%            |
| MURC012        | 1         | 15        | 14        | 17.7%            |
| Inc.           | 13        | 15        | 2         | 42.3%            |
| MURC013        | 17        | 24        | 7         | 11.6%            |

*\*True widths of intercepts are uncertain*

Only three holes were selected for REO analyses (because the drilling was targeting fluorite) in order to understand REO distribution. Both LREO and HREO-enriched zones were encountered in the analysed drill holes, with LREO occurring in carbonatite and HREO zones being associated with fenite-hosted fluorite. Consistent enrichment of dysprosium and other HREOs is a feature of the mineralisation. The remaining eleven holes will now be analysed for REOs given the very encouraging results received from these three selected holes.

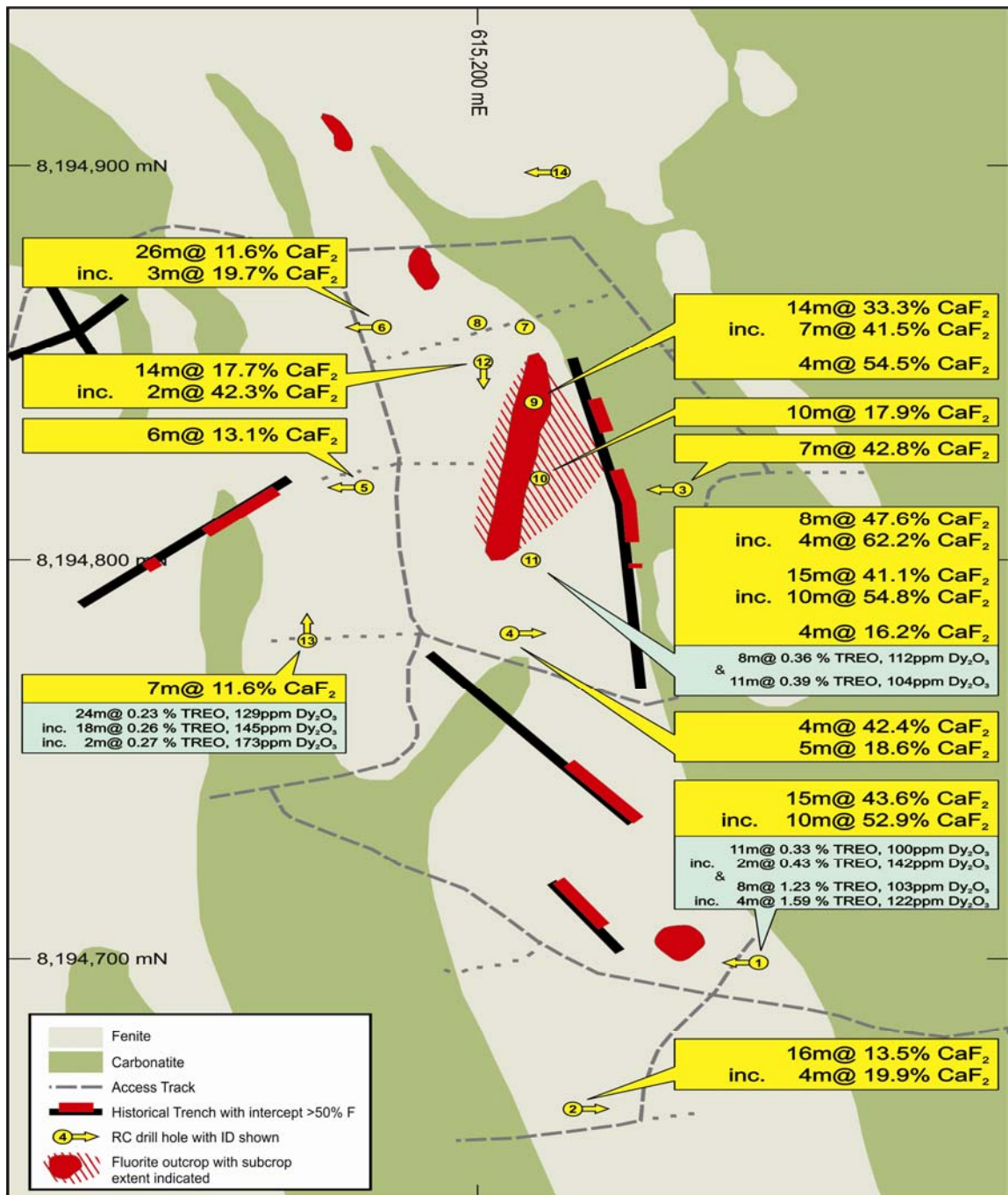


**Table 2. Significant REO drill intercepts – Mount Muambe**

| Hole ID | From (m) | To (m) | Width (m)* | La <sub>2</sub> O <sub>3</sub> (ppm) | Ce <sub>2</sub> O <sub>3</sub> (ppm) | Nd <sub>2</sub> O <sub>3</sub> (ppm) | Eu <sub>2</sub> O <sub>3</sub> (ppm) | Tb <sub>2</sub> O <sub>3</sub> (ppm) | Dy <sub>2</sub> O <sub>3</sub> (ppm) | Er <sub>2</sub> O <sub>3</sub> (ppm) | Yb <sub>2</sub> O <sub>3</sub> (ppm) | Y <sub>2</sub> O <sub>3</sub> (ppm) | TREO (ppm) | HREO (ppm) | HREO: TREO |
|---------|----------|--------|------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|------------|------------|------------|
| MURC001 | 0        | 11     | 11         | 590                                  | 1,049                                | 458                                  | 32                                   | 16                                   | 100                                  | 58                                   | 50                                   | 611                                 | 3,306      | 996        | 29.9%      |
| Inc.    | 5        | 7      | 2          | 746                                  | 1,298                                | 576                                  | 46                                   | 23                                   | 142                                  | 81                                   | 71                                   | 856                                 | 4,317      | 1,411      | 32.8%      |
| MURC001 | 74       | 82     | 8          | 4,574                                | 5,245                                | 980                                  | 28                                   | 17                                   | 103                                  | 57                                   | 49                                   | 648                                 | 12,303     | 1,029      | 10.9%      |
| Inc.    | 77       | 81     | 4          | 5,929                                | 6,866                                | 1,283                                | 36                                   | 20                                   | 122                                  | 66                                   | 55                                   | 747                                 | 15,900     | 1,202      | 9.0%       |
| MURC011 | 0        | 8      | 8          | 547                                  | 924                                  | 365                                  | 26                                   | 16                                   | 112                                  | 83                                   | 88                                   | 1,182                               | 3,650      | 1,638      | 45.9%      |
| MURC011 | 22       | 33     | 11         | 665                                  | 1,149                                | 444                                  | 27                                   | 15                                   | 104                                  | 75                                   | 79                                   | 970                                 | 3,866      | 1,400      | 38.4%      |
| MURC013 | 28       | 52     | 24         | 255                                  | 515                                  | 284                                  | 53                                   | 25                                   | 129                                  | 46                                   | 32                                   | 596                                 | 2,326      | 1,081      | 46.6%      |
| Inc.    | 28       | 46     | 18         | 281                                  | 575                                  | 319                                  | 62                                   | 29                                   | 145                                  | 50                                   | 35                                   | 647                                 | 2,594      | 1,200      | 47.6%      |
| Inc.    | 50       | 52     | 2          | 268                                  | 467                                  | 252                                  | 50                                   | 28                                   | 173                                  | 67                                   | 43                                   | 925                                 | 2,656      | 1,493      | 55.9%      |

\*Only selected rare earth elements have been presented in this table due to space constraints, and therefore the TREO column will not be exactly equal with the sum of the individual REO results presented. TREO = Total Rare Earth Oxides (La through Lu + Y); HREO = more valuable Heavy Rare Earth Oxides (Eu through Lu + Y). True intercept widths are uncertain at this stage.

**Figure 2. Significant fluorite and REO drill intercepts – Mount Muambe**



## Concluding Comments

- The drilling has intersected significant widths of very high grade fluorite mineralisation
- Fluorite mineralisation with associated HREO is interpreted to occur in multiple, stacked, sub-horizontal zones, although more drilling is required to confirm this model
- Zones of both LREO and HREO enriched mineralisation occur around the main fluorite prospect
- Much of the REO mineralisation in the carbonatite complex at Mount Muambe appears to be unusually enriched in heavy rare earths (HREO)
- The Company has now demonstrated Mount Muambe to be highly prospective for both high-grade fluorite mineralisation and REOs

## 2011 Exploration Program

The Company has begun its 2011 exploration program early and is focussing on delineating the numerous REO and fluorite targets discovered by earlier mapping and rock-chip sampling. An initial rock-chip sampling program is already underway. This is to be followed by a substantial drilling program of at least 8,000m, targeting both fluorite and REO.

## Tenure

The Company recently reported that its Mozambican joint venture partner, Bala Ussokoti Lda (BUL) has been granted an extension to the Mount Muambe Exploration Licence 570L until 28<sup>th</sup> November 2013. It should also be noted that BUL currently does not hold REO rights for 570L. However, 570L is an exclusive Exploration Licence (i.e. no overlapping tenements are permitted) and therefore these rights should be awarded to BUL and become subject to the joint venture upon application to the Minister for Mines in Mozambique. The Company can report that in conjunction with BUL it has begun the application process to add REO rights to licence 570L.

## About Globe Metals & Mining

Globe is an African-focused resource company, specialising in rare metals such as niobium, tantalum and rare earths, as well as other commodities including fluorite, uranium and zircon. Its main focus is the multi-commodity Kanyika Niobium Project in Malawi, Africa, which will commence production of ferro-niobium in 2013, a key additive in sophisticated steels.

Globe also has a number of other projects at an earlier stage of development: it is earning up to an 80% interest in the Machinga Rare Earth Project in southern Malawi from Resource Star Limited (ASX: RSL), and the Company can earn up to a 90% interest in the Mount Muambe Fluorite-heavy rare earth Project in Mozambique. Initial drill programs on both projects were undertaken in 2010.

Globe has regional offices in Lilongwe, Malawi, and Tete, Mozambique and has its corporate head office in Perth, Australia. The Company has been listed on the ASX since December 2005 (Code: GBE).

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**Competent Person:** *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 Non-Executive Director for Globe Metals & Mining. 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 and 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.*