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ASX/Media Announcement

Audio Broadcast & Interview Transcript – June Quarter 2009 Activities Report

Globe Metals & Mining provides the opportunity to listen to an audio broadcast with the Managing Director of the Company, Mr. Mark Sumich, discussing the Company's June Quarter 2009 Activities Report.

To listen, click on the link: <http://www.brr.com.au/event/59125?popup=true>

The transcript of the interview is attached.

About Globe Metals & Mining

Globe Metals & Mining is an African-focused uranium and specialty metals resource company. Its main focus is the multi-commodity (niobium, uranium, tantalum and zircon) Kanyika Niobium Project in central Malawi. A Pre-Feasibility Study was commissioned in September 2008 and production is planned to commence in 2012 at a rate of 3,000tpa niobium metal, principally in the form of ferro-niobium. Mine life will be in excess of 20 years.

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

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Mr. Mark Sumich, Managing Director, Globe Metals & Mining

Thursday, 30 July 2009

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

GBE Thanks James. Good afternoon.

BRR **The Company has released its June Quarterly Report. Can you give us a summary of the activities undertaken by Globe in the past quarter?**

GBE James, it's been busy again, but we are happy to say, from a Company's point of view, we're on track with the Kanyika Niobium Project in Malawi. The quarterly obviously is a summary of what's come out in the preceding three months, so I won't go through it all in detail. I'll just sort of comment on various aspects of it. Firstly, where we're at now is we're in pre-feasibility and that is on track to be completed by December 2009, so that will be a formal report we'll issue to the market. The investors would have seen we released our second customer supply deal. It was an MOU for 1,000 tonnes per annum of ferro-niobium. So that and the previous MOU gives us about 35 per cent of our planned production currently under MOU, and that's a demonstration of the interest and demand for the product. Allied to that, we had the trip I made up to China about a month or two ago, and we put out a press release on that – a lot of interest. We spoke mainly in that announcement in relation to off-take discussions but also, as is typical with a lot of the Chinese investors, they are interested as well in combining that potentially with an investment as well in the Company, so combining the off-take as a customer with the capital injection as an investor. And those discussions have been under way in various forms and with different parties over a period of time, and we've made clear to the market how we see this project being financed is with a customer or other partners coming in at both, potentially, the Company level but also at the project level as well. So there's lots happening on that front as well. In terms of the metallurgy, the metallurgical program, which is a mini-pilot, that's on track and this is a component of the pre-feasibility study. In fact, it's the second major leg of the pre-feas. The first part of that was the upgrading the resource from inferred to indicated, and that came out in April. And the second major component will be the mini-pilot which will be to produce the steel-grade ferro-niobium – small amounts of it, but that does two things: one, it demonstrates our ability to produce to a steel-grade specification; and, two, it will provide us with some samples that we can provide to potential customers. So that's all happening. I think we've almost now completed the upstream component, which is the production of the concentrate, and that is now moving on to the acid and smelter phase. In terms of the price, reasonably stable, as is the way with this commodity. So that's just sitting there at around about 37 to \$38 a kilogram of metal content. And the last point I'll make is, in relation to the Malawi government elections on 19 May – Presidential and National Assembly elections in Malawi, the president was re-elected by a majority with his party in parliament and carried out in a very peaceful manner without any civil unrest. So that gives us ongoing confidence in terms of investing substantial funds in that country. And, of course, Paladin is under way there with the Kayelekera Uranium Deposit up north. So there's lots happening in terms of the progress on the project.

And the updated financial forecast, which was probably the major announcement that came out during the period, is extremely attractive when we're talking about capital paybacks of two years, 20 year mine life – all looking very good at Kanyika in terms of the financials. So that's where we sit. And we still have a fair bit of cash in the bank – about 2.8 million – so that's no problems at all. We're kicking along. We're spending that judiciously but we're making good progress as well and obviously very much focused on the name of the game, which is to get Kanyika into production by 2012.

BRR Okay, Mark, and looking at the calendar year ahead, what can the market expect from Globe?

GBE James, a few key goals on the horizon. The first one is the completion of the metallurgical program, the mini-pilot, and that will be once we have completed the acid and smelter phase with the concentrate that we've produced so far. And as I just mentioned before, that's producing steel-grade ferro-niobium. And we should be expecting that – it's probably been delayed a little bit – around about October. After that, that will be the last major step before completion of the pre-feas that comes out in December. I mentioned as well ongoing is that we are talking to a number of parties in relation to partnering up, investing in the project; talked to a number of people but nothing has been finalised. But I'm hopeful and the Company's hopeful that that can progress over the course of the balance of the calendar year. The last thing I'd mention as well is that – just for the investors as well – we've got a new website, so they may want to go and have a look at that – pretty simple layout, just changed the format a bit, a little bit more information. Hopefully it's more user friendly and the shareholders will like it.

BRR Okay, Mark. And looking at the performance of your shares on market of late there's been a significant spike upwards. What are your thoughts and comments on this movement?

GBE James, it's obviously a tricky one from inside the Company. We just focus on the day-to-day operations. Clearly, the market sentiment is improving a bit as we hopefully are looking at the other side of the crisis. I suspect as well for Globe that maybe there's a bit of catch-up. Back around April, May when the market was starting to pick up we didn't seem to move too much and maybe this is just getting us back to parity with the market. But I think, beyond that, the Globe story about niobium is getting out, so people are sort of getting wind of it, and with the progress that we're making, it's a very advanced project with compelling economics around the project, not a significant capital cost – we're only talking \$US150 million – our margins with 50 per cent, capital payback two years, 20 year mine life, a diverse range of commodities and diversified revenue streams, it's all very attractive. And once now, with potentially the crisis maybe not at an end but people at least at the stage where they're starting to look beyond the crisis into the medium demand for the basic commodities of growth, and obviously that's steel if we're talking about niobium, they're having a look at where the value is. They're obviously highly optimistic and confident with the Kanyika Niobium Project in that regard.

BRR Okay. And just as a final point, I'd like to draw attention to point 2.2 in your Quarterly Report which is the future issues of capital. Can you just go into a bit more detail and elaborate on this point for me?

- GBE I will, James, and I'll raise this because we've had one or two complaints from shareholders about what we're doing, and it's not unusual, and we are happy to point this out. Essentially, with our employees and contractors and some of the suppliers as well, there's two components to this. One is around about January, February of this year in the midst of the crisis when no one really knew what was going to happen, the focus was on preserving cash. So, where we could, we exchanged payment for services from cash to equity. That was good from the Company's point of view in terms of preserving cash. And also this was at a time when, frankly, with a lot of juniors you couldn't give your paper away. So it was good that people would take it. Some of our employees have put their hand in the pocket. They've sacrificed cash payments, as have suppliers, in exchange for equity. So that's a great thing from the Company's point of view. And the second reason why we do it, allied to that, is, of course, key people to the future of the Company, employees, suppliers, contractors, they've got skin in the game, and that's essential to us as a small company for making sure employees and people that are important to us are motivated and are keen to see the Company succeed. So for those out there who think we're just handing out the paper as if it's the morning news round, well, I don't think they understand really what's going on, and it's really important to make sure that your key people have an equity stake in the Company. And I'd point out as well that we have been quite judicious with the share register in the sense that we have only about 70 million shares on issue. So the register is in good shape. There's a lot of leverage still in the register in that it's not blown out, and I think that compares favourably with a lot of other companies. And we've done a lot with the money that we've raised, so the Company is quite advanced with the Kanyika Niobium Project. We're about to come to the end of a pre-feasibility study and, for a company in that stage of development, we've got quite a modest number of shares on issue. So those who are minded to complain about that I think they should, one, understand why we're doing it and, two, look at the big picture in terms of where the Company's at.
- BRR Well, Mark, thanks very much for taking the time to give us a comprehensive overview of the activities undertaken by Globe Metals & Mining during the past quarter and giving us an insight into what we should expect from you in the quarter ahead.
- GBE You're welcome, James. Thank you very much.

Contact brr@brr.com.au for more information

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