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# Globe

## Metals & Mining

**GLOBE METALS AND MINING LIMITED**

**ABN 33 114 400 609**

**AND CONTROLLED ENTITIES**

**INTERIM FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED**

**31 DECEMBER 2015**

GLOBE METALS AND MINING LIMITED  
ABN 33 114 400 609  
AND CONTROLLED ENTITIES

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**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 half year ended 31 December 2015.

**DIRECTORS**

The names of Directors who held office during or since the end of the half year:

Ms Alice Wong	Chairperson
Alistair Stephens	Managing Director
William Hayden	Non-Executive Director
Bo Tan	Non-Executive Director
Alex Ko	Non-Executive Director

Directors have held office for the entire period and to date of this report unless otherwise stated.

**COMPANY SECRETARY**

Michael Fry (appointed 1 February 2015)

**RESULTS**

The result for the half year ended 31 December 2015 attributable to members of Globe was a net loss after tax of \$4.560 Million (2014: \$1.749 Million).

**REVIEW OF OPERATIONS**

During the half year ending 31 December 2015, Globe's operational focus was on the advancement of its niobium and graphite projects in Malawi (Africa).

Globe's key assets are its Kanyika Niobium Project and its Chiziro Graphite Project, both located in the central part of Malawi, north of the capital city Lilongwe.

Globe also has other exploration projects at various stages of exploration in Malawi and Mozambique, however these received limited attention during the half year.

***Kanyika Niobium Project***

The Kanyika Niobium Project is host to a 2004 JORC compliant Mineral Resource Estimate of 68.3M tonnes of Nb<sub>2</sub>O<sub>5</sub> using a 1,500 ppm Nb<sub>2</sub>O<sub>5</sub> cut-off (refer ASX announcement dated 7 January 2013).

Niobium (Nb) and Tantalum (Ta) are key additives in steel manufacture, electronics and ceramics.

During the half year, the Company continued to seek parties interested in off-take agreements for niobium and tantalum, and explored a range of financing and investment options. At the same time, the Company continued to examine opportunities for project enhancement, including reconfiguration of project arrangements.

The overall Definitive Feasibility Study remains incomplete until costed off-take agreements are in place.

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**DIRECTORS' REPORT**

The Kanyika Exclusive Prospecting Licence (EPL0188) was due for expiry at the end of December 2014. In mid-December 2014, Globe applied for a Mining Licence to cover the Kanyika Nb-Ta resource and all areas covering proposed mine infrastructure and prospective exploration areas. In June 2015, Globe received formal notice from the Malawi Ministry of Natural Resources, Energy & Mining of Mining Lease approval subject to completion of the Development Agreement. The Development Agreement is substantially complete as at the date of this report.

***Chiziro Graphite Project***

During the half year ended 31 December 2015, Globe continued to assess the graphite potential at Chiziro.

A formal agreement was reached in September 2015 with the Malawi Ministry of Natural Resources, Energy & Mining allowing Globe access to the previously excised Katengeza Prospect, located in the north of the Chiziro project area. 27 samples were collected from the Katengeza Prospect area and immediate surrounds, with assay results demonstrating strong graphite mineralisation with more than half of the samples reporting greater than 10% total graphitic carbon.

In December 2015, a 200 kilogram graphite-rich sample collected from the Chimutu prospects was transported from Malawi to Western Australian laboratory for the purposes of metallurgical test-work. The results of the metallurgical test-work released in February 2016 demonstrate favourable graphite characteristics including a large proportion of coarse flake at an acceptable recovery.

***Machinga Rare Earth Project***

Exploration on this Project is at an early stage. Soil sampling programmes in 2013 and 2014 field seasons outlined a substantial rare earth element and a Nb-Ta anomalism.

During the half year ended 31 December 2015, no substantial work was undertaken.

Subsequent to year end a decision has been made to seek parties interested in purchase or joint venture. Globe does not intend to advance this Project.

Accordingly, a provision for impairment of \$3,274,479 has been raised in relation to this Project. The carrying value of the Machinga Rare Earth Project is therefore nil at 31 December 2015.

***Salimbidwe Rare Earth Project***

Exploration on this Project is at an early stage.

During the half year ended 31 December 2015, no substantial work was undertaken.

Subsequent to year end, a decision has been made to seek parties interested in purchase or joint venture. Globe does not intend to advance this Project.

Accordingly, a provision for impairment of \$179,825 has been raised in relation to this Project. The carrying value of the Salimbidwe Rare Earth Project is therefore nil at 31 December 2015.

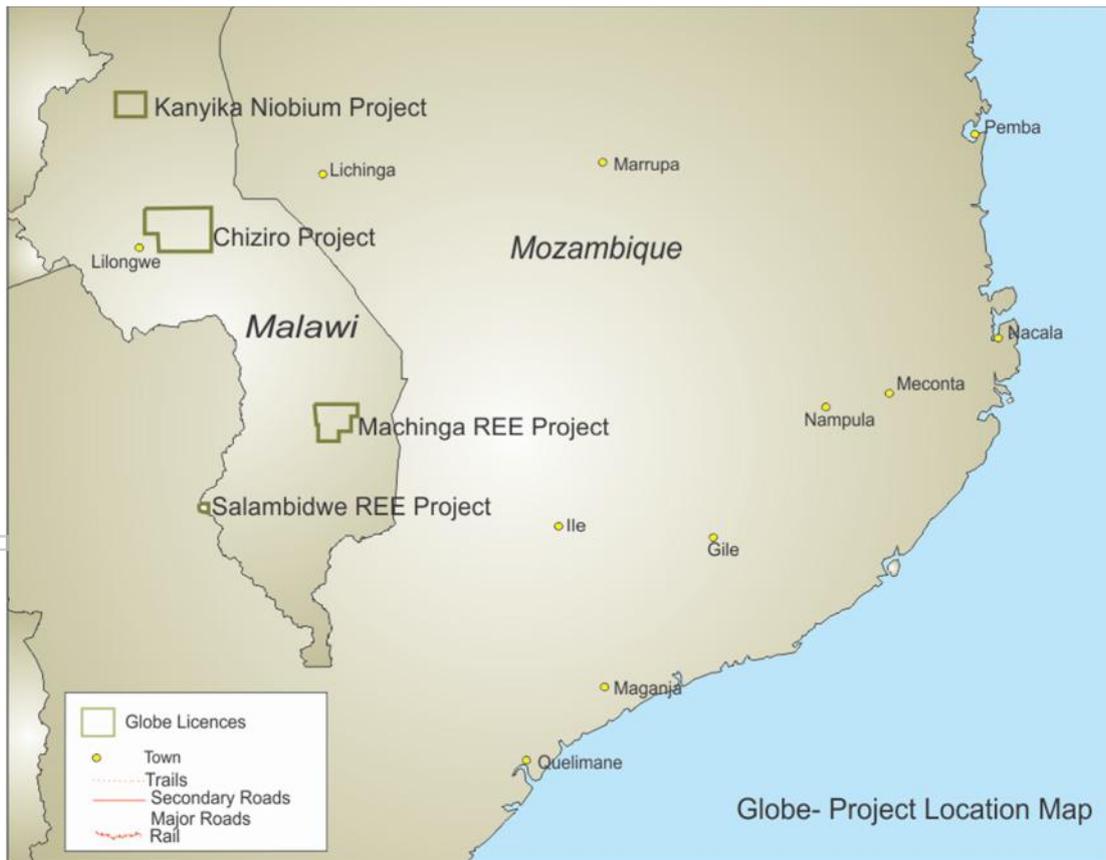
**Mineral Tenement Schedule**

Project	Location	Status	Tenement	Globe's interest
Kanyika Niobium (i)	Malawi	Pending	Under mining lease application	100%
Kanyika Exploration	Malawi	Granted	EPL0421/15	100%
Chiziro	Malawi	Granted	EPL0299/10R	100%
Machinga	Malawi	Granted	EPL0230/07R	100%
Salambidwe	Malawi	Granted	EPL0289/10R	100%

- (i) a Mining lease application lodged with Malawi's Ministry of Natural resources, Energy & Mining on 5 December 2014 covering in part the area previously covered by EPL1088/05 has been approved subject to the finalisation of a Development Agreement.

Note: EPL: Exclusive Prospecting Licence (Malawi)

**Project Location Map**



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**DIRECTORS' REPORT**

**AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half year ended 31 December 2015.

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

This report is made in accordance with a resolution of directors.



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Mr Alistair Stephens  
Managing Director

Dated this 14<sup>th</sup> day of March 2016

**Competent person:** *The contents of this report relating to the Mineral resource Estimate are based on information compiled by Mr Michael Job, Fellow of the Australasian Institute of Mining and Metallurgy, and a consultant employed by Quantitative Group at the time the Mineral Resource Estimate was completed. Mr Job had sufficient experience related to the activity 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 consented to the inclusion in reports of matters compiled by him in the form and context which they appear. The Mineral Resource Estimate was first reported to the ASX on 7 January 2013 and has not been updated since.*

**Competent person:** *The information in this ASX report relating to metallurgical evaluation is based on information compiled by Dr Marc Steffens. Dr Steffens is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and is a full-time employee of Globe Metals and Mining. Dr Steffens consents to the inclusion in the report of matters based on his information in the form and context in which it appears*

**Competent person:** *The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Fergus Jockel, a competent person who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Fergus Jockel is a full-time employee of the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Fergus Jockel consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*

## Auditor's Independence Declaration to the Directors of Globe Metals and Mining Limited

As lead auditor for the review of Globe Metals and Mining Limited for the half-year ended 31 December 2015, I declare 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 review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

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



Ernst & Young



T G Dachs  
Partner  
Perth  
14 March 2016

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**GLOBE METALS AND MINING LIMITED**  
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**AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Half Year Ended 31 December 2015

	31 December 2015 \$'000	31 December 2014 \$'000
Interest income	103	352
Administrative expenses	(306)	(122)
Business Development	(187)	(338)
Compliance and regulatory expenses	(78)	(65)
Depreciation expenses	(86)	(187)
Exploration expenditure written off	(4)	-
Directors fees	(140)	(135)
Doubtful debts expense	-	(157)
Employee benefits expenses	(390)	(710)
Occupancy expenses	(60)	(125)
Share based payments expenses	-	(15)
Travel expenses	(43)	(81)
Foreign currency gain/(loss)	123	(6)
Impairment	3 (3,454)	-
Other expenses	(38)	(160)
<b>Loss before income tax</b>	<b>(4,560)</b>	<b>(1,749)</b>
Income tax expense	-	-
<b>Loss for the half year</b>	<b>(4,560)</b>	<b>(1,749)</b>
<b>Other comprehensive loss after tax</b>		
<i>Items that may be reclassified to profit or loss</i>		
Changes in the fair value of available-for-sale financial asset	-	-
<b>Other comprehensive loss after tax</b>	-	-
<b>Total comprehensive loss for the half year</b>	<b>(4,560)</b>	<b>(1,749)</b>
<b>Loss Per Share attributable to ordinary equity holders of the Company</b>	<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share	(0.97)	(0.37)

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

**GLOBE METALS AND MINING LIMITED**  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2015

	Note	31 December 2015 \$'000	30 June 2015 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		14,514	16,013
Trade and other receivables		175	257
Other current assets		116	132
<b>TOTAL CURRENT ASSETS</b>		<b>14,805</b>	<b>16,402</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	3	27,740	30,879
Available-for-sale financial assets		26	34
Plant and equipment		352	431
<b>TOTAL NON-CURRENT ASSETS</b>		<b>28,118</b>	<b>31,344</b>
<b>TOTAL ASSETS</b>		<b>42,923</b>	<b>47,746</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		349	387
Provisions	4	648	873
<b>TOTAL CURRENT LIABILITIES</b>		<b>997</b>	<b>1,260</b>
<b>TOTAL LIABILITIES</b>		<b>997</b>	<b>1,260</b>
<b>NET ASSETS</b>		<b>41,926</b>	<b>46,486</b>
<b>EQUITY</b>			
Issued capital	5	80,825	80,825
Accumulated losses		(38,899)	(34,339)
<b>TOTAL EQUITY</b>		<b>41,926</b>	<b>46,486</b>

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

**GLOBE METALS AND MINING LIMITED**  
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Half Year Ended 31 December 2015

	Contributed equity	Accumulated Losses	Share based payment Reserve	Revaluation Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2014</b>	<b>80,825</b>	<b>(33,787)</b>	<b>2,713</b>	<b>(34)</b>	<b>49,717</b>
Loss for the period	-	(1,749)	-	-	(1,749)
Other comprehensive loss	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(1,749)</b>	<b>-</b>	<b>-</b>	<b>(1,749)</b>
<i>Transactions with owners, recorded directly in equity</i>					
Shares issued during the period	-	-	-	-	-
Reclassification of reserves to accumulated losses	-	2,645	(2,645)	-	-
Options issued during the period	-	-	15	-	15
Capital raising expenses	-	-	-	-	-
<b>Balance at 31 December 2014</b>	<b>80,825</b>	<b>(32,891)</b>	<b>83</b>	<b>(34)</b>	<b>47,983</b>
<b>Balance at 1 July 2015</b>	<b>80,825</b>	<b>(34,339)</b>	<b>-</b>	<b>-</b>	<b>46,486</b>
Loss for the period	-	(4,560)	-	-	(4,560)
Other comprehensive loss	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(4,560)</b>	<b>-</b>	<b>-</b>	<b>(4,560)</b>
<i>Transactions with owners, recorded directly in equity</i>					
Shares issued during the period	-	-	-	-	-
Reclassification of reserves to accumulated losses	-	-	-	-	-
Options issued during the period	-	-	-	-	-
Capital raising expenses	-	-	-	-	-
<b>Balance at 31 December 2015</b>	<b>80,825</b>	<b>(38,899)</b>	<b>-</b>	<b>-</b>	<b>41,926</b>

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

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Half Year Ended 31 December 2015

	31 December 2015 \$'000	31 December 2014 \$'000
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees (inclusive of value added taxes)	(1,325)	(1,655)
Proceeds from other income	36	-
Interest received	103	361
<b>Net cash outflow from operating activities</b>	<b>(1,186)</b>	<b>(1,294)</b>
<b>Cash flows from investing activities</b>		
Receipt from term deposits	-	13,000
Payments for exploration and evaluation assets	(437)	(1,062)
Proceeds from the sale of plant and equipment	3	59
Payments for plant and equipment	(5)	(8)
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(436)</b>	<b>11,989</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,622)</b>	<b>10,695</b>
<b>Cash and cash equivalents at the beginning of half year</b>	<b>16,013</b>	<b>6,774</b>
Effects of exchange rate on cash and cash equivalents	123	7
<b>Cash and cash equivalents at the end of half year</b>	<b>14,514</b>	<b>17,476</b>

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the Half Year Ended 31 December 2015

**NOTE 1: BASIS OF PREPARATION OF HALF-YEAR REPORT**

This consolidated interim financial report for the half-year reporting period ended 31 December 2015 has been prepared in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Globe Metals and Mining Limited (the "Company") during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

***New or revised standards and interpretations that are first effective in the current reporting period***

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. There are no new and revised standards that have any material impact of the Group's Financial Statements.

**NOTE 2: 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.

The consolidated entity has two reportable segments based on the development stage of the projects and of 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 resource of 68 million tonnes.

**Africa-Exploration**

The Africa-Exploration segment includes the following exploration projects:

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

GLOBE METALS AND MINING LIMITED

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2015

NOTE 2: SEGMENT INFORMATION (CONT)

	Africa - Kanyika \$'000	Africa - Exploration \$'000	Total \$'000
<b>(i) Segment performance</b>			
<b>Six months ended 31 December 2015</b>			
Segment revenue	-	-	-
<b>Segment result</b>	(250)	(3,492)	(4,192)
<i>Reconciliation of segment result to group net loss before tax</i>			
Unallocated items:			
• Other revenue			103
• Other corporate expenses			(471)
Net loss before tax from continuing operations			(4,560)
<b>(ii) Segment assets</b>			
<b>As at 31 December 2015</b>			
• Plant and equipment	41	209	250
• Exploration and evaluation expenditure	26,473	1,267	27,740
• Cash and cash equivalents	15	17	32
• Other assets	97	143	240
<b>Total Segment assets</b>	<b>26,626</b>	<b>1,636</b>	<b>28,262</b>
<i>Reconciliation of segment assets to group assets</i>			
• Cash and cash equivalents			14,482
• Other corporate assets			179
<b>Total Assets</b>			<b>42,923</b>
<b>(iii) Segment performance</b>			
<b>Six months ended 31 December 2014</b>			
Segment revenue	-	-	-
<b>Segment result</b>	(317)	(594)	(911)
<i>Reconciliation of segment result to group net loss before tax</i>			
Unallocated items:			
• Other revenue			352
• Other corporate expenses			(1,190)
Net loss before tax from continuing operations			(1,749)
<b>(iv) Segment assets</b>			
<b>As at 30 June 2015</b>			
• Plant and equipment	54	259	313
• Exploration and evaluation expenditure	26,292	4,587	30,879
• Other assets	139	218	357
<b>Total Segment assets</b>	<b>26,485</b>	<b>5,064</b>	<b>31,549</b>
<i>Reconciliation of segment assets to group assets</i>			
• Cash and cash equivalents			16,013
• Other corporate assets			184
<b>Total Assets</b>			<b>47,746</b>

**GLOBE METALS AND MINING LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2015

**NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE**

	<b>December 2015 \$'000</b>	<b>June 2015 \$'000</b>
<b>Non-Current</b>		
Costs carried forward in respect of areas of interest in:		
<b>Exploration and evaluation phases – at cost</b>	<b>27,740</b>	<b>30,879</b>
Opening balance	30,879	29,471
Exploration expenditure capitalised during half year	319	1,415
Impairment <sup>(a)</sup>	(3,454)	-
Exploration expenditure written off <sup>(b)</sup>	(4)	(7)
<b>At reporting date</b>	<b>27,740</b>	<b>30,879</b>

(a) *Impairment relates to Machinga & Salimbidwe areas of interest, due to the decision to discontinue exploration on these areas.*

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

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;
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale; and
- 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2015

**NOTE 4: PROVISIONS**

	<b>December 2015 \$'000</b>	<b>June 2015 \$'000</b>
<b>Current</b>		
Employee benefit provisions	109	132
Provision for foreign tax	539	741
	<u><b>648</b></u>	<u><b>873</b></u>

Movement in the provision for foreign tax is comprised as follows:

Opening balance	741	352
Add: provision raised during the year	3	363
(Less)/Add: foreign currency exchange adjustment	(205)	26
	<u><b>539</b></u>	<u><b>741</b></u>

The provision for foreign tax is based upon assessments received which the Company is defending. The provision has been estimated by the Company in accordance with the requirements of Australian Accounting Standards.

**NOTE 5: ISSUED CAPITAL**

	<b>31 December 2015</b>		<b>30 June 2015</b>	
	<b>\$'000</b>	<b>Number</b>	<b>\$'000</b>	<b>Number</b>
Fully paid ordinary shares	80,825	469,729,062	80,825	469,729,062

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the Half Year Ended 31 December 2015

**NOTE 6: COMMITMENTS**

**(a) Exploration commitments**

In order to maintain current rights of tenure to mining tenements, the Company 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:

	<b>31 December 2015 \$'000</b>	<b>31 December 2014 \$'000</b>
Not longer than one year	958	1,311
Longer than one year, but not longer than 5 years	479	430
	1,437	1,741

If the Company 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**

Operating lease expenses relate to leases for office and staff accommodation in Malawi, and office accommodation in Perth:

Not longer than one year	37	16
Longer than one year, but not longer than 5 years	-	23
	37	39

The Company's corporate head office relocated in January 2015 into a shared office at Level 1, Suite 1, 35 Havelock Street in West Perth. The agreement operates on a 3 month notice period.

**NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE**

There have been no events subsequent to reporting date, with the exception of those below.

On Thursday, 24 February 2016, Globe held a General Meeting of shareholders for the purposes of a spill of the existing Board as a consequence of shareholders passing a spill resolution at the Company's 2015 Annual General Meeting. Resolutions relating to the return of Ms Alice Wong, Mr Bo Tan, Mr Alex Ko and Mr William Hayden were passed. Resolutions relating to the election as directors of Mr Cungen Ding, Mr Wuming Wang and Mr Neville Bergin were not carried.

**NOTE 8: CONTINGENT ASSETS AND LIABILITIES**

There are no material contingent assets and liabilities that exist as at reporting date.

**NOTE 9: DIVIDENDS**

No dividends have been paid or provided for the period.

In the directors' opinion:

- (a) The financial statements set out on pages 6 to 14 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
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date, and
- (b) there are reasonable grounds to believe that Globe Metals and Mining Limited will be able to pay its debts as and when they become due and payable.

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



---

Mr Alistair Stephens  
Managing Director

Dated this 14<sup>th</sup> day of March 2016

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## Report on the half-year financial report to the members of Globe Metals and Mining Limited

We have reviewed the accompanying half-year financial report of Globe Metals and Mining Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Globe Metals and Mining Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Globe Metals and Mining Limited is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.



Ernst & Young



T G Dachs  
Partner  
Perth  
14 March 2016