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ASX/Media Announcement

Niobium Market Update

Globe Metals & Mining is pleased to update the market on highlights from Roskill's "*The Economics of Niobium*" (11th edition, 2009).

Highlights

- **Demand: Potential for niobium to be used in up to 20% of steel products (currently ~10%); "underlying trend" consumption to resume in 2010**
- **Substitution: Niobium unlikely to be being replaced by other alloying elements in steelmaking**
- **Prices: Ferro-niobium prices likely to remain constant at 2008/pre-crisis levels**

Summary

The Company considers that Roskill's report validates its very optimistic outlook for the niobium industry.

In addition, given the lack of readily available detailed information on the niobium industry (which can be typical for private/off-take traded commodities), this third party validation from a reputable source is critical for building investor awareness and confidence in both the niobium industry, and the Company's Kanyika Niobium Project in central Malawi.

Emphasis by bolding selected quotes has been added by Globe.

Demand

"Niobium is used in a variety of forms…but by far the most important in tonnage terms is HSLA [high strength low alloy] *ferro-niobium that has applications in the production of certain types of steel. This market now accounts for about 90% of niobium usage and has been responsible for most of the increase in overall consumption…"*

"HSLA steels are the main market for niobium, although such steels form only a small part of the overall steel sector; ***currently about 10% of total output but likely to grow significantly****."*

"… the niobium industry remained confident of the industry's future prospects. Demand for natural gas linepipe, the main application for HSLA steel, is healthy and will remain so. The automobile industry, another major consumer of HSLA steel, was in a major downturn in 2008, and one that will continue into 2009 and 2010. There too, however, the long-term prospects for niobium remained good, given the general trend towards greater use of HSLA steel. The construction industry, the third major user of HSLA steel is set to recover in 2010."

"The growth in consumption of niobium…has resulted from both the overall growth in total steel consumption and a shift from mild steels to higher quality steels, which often contain niobium. Worldwide, in 2008 the unit consumption of niobium in steel was around 55-60g/t of steel produced. In

the most highly developed countries the figure was 100g/t or more, whereas in China only around 40g/t were consumed. There would appear, therefore, to be significant potential for the increased use of niobium in this end-use market. ***While, in 2008, about 10% of the steel produced globally contained niobium, that share could rise to as much as 20% in future****."*

"Consumption in 2007 was a record 58,200t Nb and there was significant further growth into early 2008. Shipments in the first half of 2008 were 18% higher than during the first half of 2007 and 13% up on the second half of the year. The second half of 2008 almost certainly saw a downturn in demand for niobium and full-year growth was probably below 5%. Little, if any, growth is likely in 2009 but ***a return to the underlying trend will very probably be seen from 2010****."*

Global consumption of ferro-niobium between 2002 to 2007 inclusive exceeded 20% per annum[1].

Substitution

"Ferro-niobium is not used in all types of steel produced. It is used mainly in HSLA, advanced high strength microalloyed steels, stainless and heat-resisting steels, which have a variety of applications such as gas linepipe, automotive components and construction. It is added to these steels to act as a grain refiner and precipitation hardener to improve simultaneously mechanical strength and toughness and high-temperature strength, and to enhance resistance to corrosion. ***In 2008, ferro-niobium was used in about 10% of total steel production. There is good potential for that figure to grow, perhaps to much as 20%, as higher-quality steels continue to replace mild steel in a number of applications****."*

"In the higher-quality steels, where niobium is finding increasing use, there is little opportunity for substitution by other alloying elements. At the typical addition rate of 0.05%, niobium delivers steel with a ferrite grain size of 20μm^2. Similar additions of titanium and vanadium result in much larger grain sizes, approximately 60μm^2 and 100μm^2, respectively. ***Even at much higher rates of addition, titanium and vanadium cannot offer the degree of refinement provided by microalloying with niobium****."*

*"As ferro-niobium, like other alloys, is used in very small amounts its impact on the cost per tonne of steel produced is minor****. Ferro-niobium prices are historically also very stable. The same cannot be said of ferro-vanadium*** *and ferro-titanium prices, which show very wide fluctuations. There have been periods when the price of ferro-vanadium was below that of ferro-niobium: there have also been periods when it was several times higher…****Roskill considers that there is little real risk of niobium being replaced to any significant extent by other alloys in steelmaking****."*

Prices

"Ferro-niobium prices increased sharply from mid-2007…By May 2008, spot prices had risen to US$39.70-41.90/kg (US$18-19/lb), with producer prices at US$35.30-36.40/kg (US$16-16.50/lb). In November 2008 a benchmark contract price of US$43.00-46.00/kg (US$19.50-21/lb) was reported. Prices remained at that level in early 2009."

*"****It would be natural to expect such a large increase in prices to be only temporary, particularly during a time of severe global economic downturn. Roskill does not share that view****. Prior to 2007, niobium prices had been flat for some years and thus falling in real terms. At the same time, demand was increasing and producers were expanding capacity accordingly, probably at considerable expense. An adjustment to the benchmark price at some point was inevitable. Roskill has obtained independent opinion on future pricing from within the steel industry and considers that ferro-niobium prices are likely to stay at about the level seen in late 2008 and early 2009."*

"It is to be noted that ferro-niobium is consumed in very small quantities and that, even at the new higher price, it forms a very minor component of steel production costs."

[1] CBMM, TIC Conference presentation, Shanghai, October 2008

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, which contains a 55.3Mt Inferred and Indicated JORC resource @ 3,000ppm Nb_2O_5, including a higher grade 24.0Mt component @ 3,800ppm Nb_2O_5. The Indicated JORC resource component is 13.2Mt @ 3,600ppm Nb_2O_5, including a higher grade 8.5Mt component @ 4,200ppm Nb_2O_5. 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.

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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