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ASX/Media Announcement

September Quarter 2010 Activities Report

Globe Metals & Mining is pleased to present its September Quarter 2010 Activities Report:

Highlights

- **Kanyika Niobium Project:**
 - Updated financial forecast, incorporating new JORC Resource
 - US\$187m NPV @ 10% discount rate; 27% IRR
 - Capex of US\$155m (plus \$31m contingency)
 - Capital payback period of 3 years (including year 1 production ramp-up to name plate volumes)
- **Machinga Rare Earths Project:**
 - Maiden RC Drilling campaign completed
 - 1,688m drilled
 - Results due early November
- **Monte Muambe Fluorite Project:**
 - Re-assaying of fluorite rock-chip and stream sediment results show highly anomalous REOs, including areas of HREO
 - 54 historical stream sediment samples show:
 - A peak value of >1.2% TREO
 - Top 25% of samples have a mean value of >0.7% TREO
 - Re-assaying of Globe's previous fluorite rock-chip samples show:
 - A peak value of 0.44% TREO
 - A peak result of 168ppm of the high value HREO dysprosium
 - Very high HREO:TREO ratio: peak 70%, average 50%
 - Potential for significant HREO by-product from any fluorite production



1. Kanyika Niobium Project – Malawi

1.1. Updated Financial Model

During the September Quarter, Globe Metals & Mining updated the financial forecast on the Kanyika Niobium Project.

The updated forecast incorporates the new JORC resource estimate released on June 30, 2010. The other major assumptions included in the financial model are:

- Fixed 3,000tpa niobium metal output, plus tantalum credits
- Same deal with the Government of Malawi as Paladin / Kayalekera: 15% equity to Government of Malawi for fiscal trade-offs including VAT and fuel excise exemption and income tax and royalty reductions
- FeNb price of US\$44.50/kg contained metal (current spot China “60-B”)
- Ta₂O₅ price US\$180/kg (current spot US\$230/kg)
- Blended diesel/hydro power @ \$0.21/kwh (12-14MW)
- Uranium revenue and expense excluded

The robustness of the positive economic and project viability was outlined in the following highlights:

- US\$187M NPV (@ 10% discount rate)
- IRR of 27%
- Capital Cost of US\$155M (plus US\$31M contingency)
- Capital payback period of 3 years (including year 1 production ramp up to name plate volumes)
- Annual revenues of US\$170M

1.2. Development Agreement

The Company has completed its first draft of the Development Agreement and this will finally be presented to representatives of the Government of Malawi in the first week of November.

1.3. Community Meetings

A number of community consultation meetings, as part of the Environmental Impact Assessment work, were undertaken during September. These meetings were well attended.

2. Machinga Rare Earths Project – Malawi

2.1. Maiden Drilling Program

During the Quarter the Company undertook its maiden drilling program at the Machinga North target, at the Machinga Rare Earth Project in southern Malawi.

The maiden RC drilling program is now complete, with 1,688m drilled in 16 holes that tested four different zones of REE mineralisation. Unfortunately, the drilling contractor needed to swap the originally provided drilling rig for a more capable machine during the program. This led to an unexpected delay in the completion of the program and therefore has also impacted the reporting of the analytical results. The Company now does not expect these results until early November.

A program of ground radiometric surveying, rock-chip and soil sampling, and geological mapping has begun on the newly identified Lingoni and Domasi targets at Machinga.

2.2. Joint Venture Status

As previously reported to the market, Globe earns staged equity into the Machinga JV through sole-funding of exploration and achievement of exploration milestones. The Year 1 hurdle for Globe was to spend a total of USD\$250k on exploration. The Company can report that this hurdle has been achieved following the drilling program at Machinga and will be seeking to formally recognise this achievement at the next meeting of the JV Operating Committee.

Achievement of the Year 1 Earn In hurdle means the Company now has a 20% interest in the Machinga JV.

2.3. REE Prices and Export Quotas

Rare earth prices continue to rise, most recently due to reports from China advising that it will continue its policy of reducing export quotas of rare earths. The recently announced quota for the second half of 2010 has been reduced by a further 40% from the previous quota.

Given that China currently supplies approximately 95% of the world's rare earth requirements, this ongoing restriction will have important and long term implications for the supply and pricing of rare earths, as well as the critical downstream products and applications they are used for in the advanced technology, military, consumer electronic and environmentally-friendly sectors.

A stark example of the recent rare earth price movement is that of dysprosium oxide, the most economically important rare earth element at Machinga, having risen to ~US\$222/kg, a rise of ~230% over the past 12 months. Dysprosium is keenly sought by hybrid and electric vehicle manufacturers as a key component of magnets in drive motors.

3. Salimbidwe

The Company's geologists have conducted an initial reconnaissance visit to the property. An orientation program of ground radiometric surveying, rock-chip and soil sampling, and geological mapping is planned for November-December this year.

4. Mount Muambe Fluorite Project – Mozambique

4.1. Maiden Drilling Program

The Company has experienced significant delays due to rough terrain in its efforts to build a ~6km access road from the outside of the crater to the main fluorite prospect. However, we are pleased to report that the access road has now been constructed. The drill rig has been mobilised and drilling is planned to commence this week. An initial 1,000m of RC drilling is planned to test the high-grade fluorite zone and the additional potential for co-existing heavy rare earths in that area.

4.2. Heavy Rare Earth Potential

The Company's experienced geological team recently conducted a review of all of the historical exploration data on the project with a view to assessing the potential for rare earth mineralisation in the Mount Muambe carbonatite. In particular, historical stream sediment sampling results from exploration during the late nineties showed highly anomalous results for the light rare earths Ce, La and Nd. However, the heavy rare earth elements were not analysed in this program.

The existence of rare earths in the stream sediment samples prompted Globe's geological team to request the re-analysis of high-grade fluorite rock-chip samples taken for due diligence purposes in late 2009. Surprisingly, the fluorite samples showed highly anomalous heavy rare earths, with TREO up to 0.44% and HREO:TREO ratios averaging 50% with a peak of 70%. Of particular note is the level of dysprosium, a much sought after, high value heavy rare earth, with results ranging up to 168ppm. Selected REO results from the fluorite samples are provided in Table 2.

Globe's Executive Chairman, Mr Mark Sumich, said "We have been pleasantly surprised at the recently identified potential for heavy rare earths within the high-grade fluorite zone at Mount Muambe, in addition to the identification of other areas for potential rare earth mineralisation. The Company will conduct additional field-work this year aimed at further defining these new rare earth targets. We are also looking forward to beginning our maiden drill program on the high-grade fluorite prospect at Mount Muambe in the coming weeks."

A program of 54 stream sediment samples collected in 1999 showed a peak result of >1.2% TREO, with the average value of the top 25% of samples being >0.7%. This program only analysed the 3 common, light rare earths, being Ce, La and Nd. None of the heavier and more valuable rare earth elements were analysed, and therefore the TREO results are reported as "greater than" (>).

The stream sediment sample results show the highest results appear to be draining from a large area of carbonatite outcrop in the north-east of the carbonatite body. Another area of high REO stream sediment anomalism has dimensions of about 1.5x1.5km and occurs in the southern central part of the carbonatite body around numerous large outcrops. Selected stream sediment REO results are listed in Table 1 below.

Table 2 below shows selected REO results from the fluorite rock-chip samples that were recently re-analysed after recognition of Mount Muambe's REO potential. These fluorite samples show highly anomalous heavy rare earths, with TREO up to 0.44% and HREO:TREO ratios averaging 50% with a peak of 70%. Importantly, the high value heavy rare earth dysprosium shows values ranging up to 168ppm.

Table 1: Top 25% of REO stream sediment results from historical sampling

Sample ID	E	N	La ₂ O ₃ (ppm)	CeO ₂ (ppm)	Nd ₂ O ₃ (ppm)	TREO (ppm)	TREO %
24	617845	8195953	3,666	6,243	2,519	>12,427	>1.24%
31	616510	8193756	1,462	3,081	891	>5,433	>0.54%
33	616745	8194746	1,690	3,381	1,179	>6,250	>0.62%
34	616723	8194727	2,367	4,014	1,163	>7,544	>0.75%
38	615982	8194661	1,695	2,815	1,096	>5,606	>0.56%
39	615728	8194746	2,181	3,765	1,369	>7,314	>0.73%
40	615602	8194974	1,824	3,128	1,409	>6,360	>0.64%
45	617006	8195797	3,294	5,888	2,192	>11,374	>1.14%
46	617302	8194800	1,501	2,775	1,049	>5,326	>0.53%
47	616834	8194872	2,299	3,919	1,565	>7,783	>0.78%
48	616850	8194471	1,476	3,234	871	>5,581	>0.56%
49	617128	8193936	1,579	2,664	1,000	>5,243	>0.52%

TREO totals are reported as "greater than" (>) because only three elements being La, Ce and Nd make up these totals. All other rare earth elements and Yttrium were not analysed in this historical work. Grid system is UTM: WGS 84 Zone 36S.

Table 2. Selected REO & fluorite rock-chip sample results – Mount Muambe Fluorite Prospect

Sample ID	La ₂ O ₃ (ppm)	CeO ₂ (ppm)	Nd ₂ O ₃ (ppm)	Eu ₂ O ₃ (ppm)	Tb ₂ O ₃ (ppm)	Dy ₂ O ₃ (ppm)	Er ₂ O ₃ (ppm)	Yb ₂ O ₃ (ppm)	Y ₂ O ₃ (ppm)	TREO %	HREO: TREO	Fluorite
Z000006	220	416	187	25	18	136	108	102	1,625	0.31	70%	>58%
Z000011	625	1,214	418	22	12	75	41	37	526	0.33	25%	>55%
Z000014	354	660	230	24	21	168	119	104	1,543	0.35	61%	>65%
Z000015	274	529	242	27	21	161	126	123	1,853	0.37	68%	>47%
Z000016	247	463	198	23	19	145	119	115	1,455	0.30	67%	>53%
Z000019	333	711	323	28	20	141	92	78	1,132	0.32	52%	>32%
Z000020	310	635	257	20	15	111	86	90	1,264	0.30	56%	>60%
Z000024	839	1,074	317	22	15	113	100	108	1,478	0.44	45%	>58%

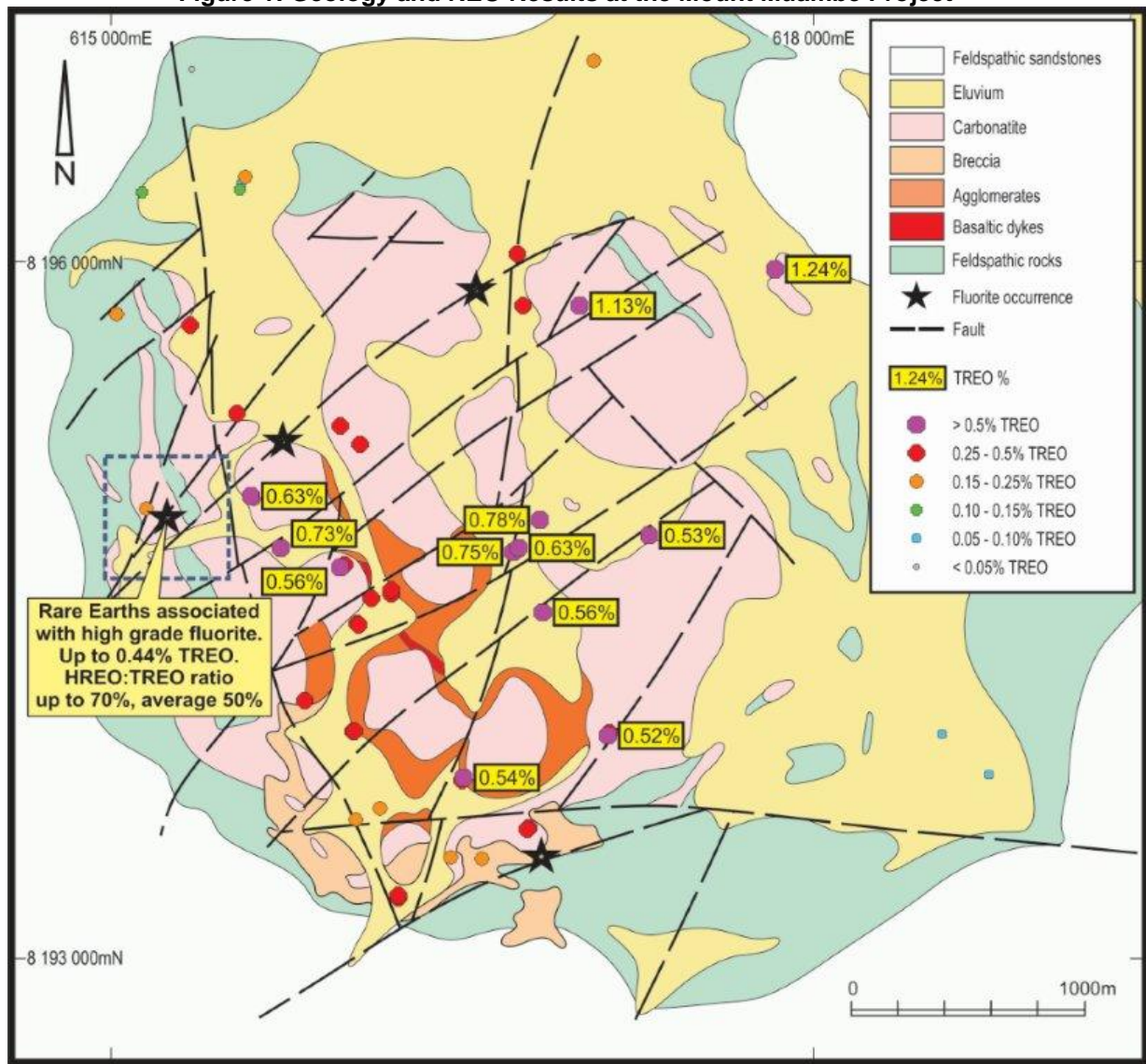
Only selected rare earth elements have been presented in this table due to space constraints, and therefore the TREO column will not be exactly equal with the sum of the individual REO results presented. TREO = Total Rare Earth Oxides (La through Lu)

+ Y); HREO = more valuable Heavy Rare Earth Oxides (Eu through Lu +Y). Fluorite results were previously reported on 1st December, 2009.

4.3. Tenure

The Company is pleased to report that its Mozambican joint venture partner, Bala Ussokoti Lda (BUL) has been granted an extension to the Mount Muambe Exploration Licence 570L until 28th 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. It is not expected that the REO rights to this licence would be unreasonably withheld.

Figure 1: Geology and REO Results at the Mount Muambe Project



4.4. Joint Venture Status

As previously reported to the market, Globe earns staged equity into the Muambe JV through sole-funding of exploration and achievement of exploration milestones. The Year 1 hurdle for Globe was to complete a 1,000m drilling campaign. The Company can report that this hurdle will have been achieved following the drilling program at Muambe and will be seeking to formally recognise this achievement at the next meeting of the JV Operating Committee.

Achievement of the Year 1 Earn In hurdle means the Company will have a 20% interest in the Muambe JV.

5. Drilling Program – Livingstonia Uranium Project

Globe's joint venture partner, Resource Star Limited announced a drilling program of ~1,500m planned to test continuation of three identified trends of thickened, high grade or stacked zones of the sandstone-hosted uranium mineralisation; an interpreted possible fourth parallel zone; and, if possible a potential extension of the resource to the south east. The prime purpose of this program is to gain confidence in the geological interpretation, with a view to being able to understand and target the thicker, higher grade zones apparent in the system to date. The goal of this is to be able to increase the grade of the defined Resource, and to provide vectors to finding extensions to the system.

Resource Star has the potential to earn up to 80% interest in the Livingstonia Uranium Project in Malawi from Globe through exploration expenditure and attainment of milestone targets.

About Globe Metals & Mining

Globe Metals & Mining is an African-focused resource company. Its main focus is the multi-commodity (niobium, uranium, tantalum and zircon) Kanyika Niobium Project in central Malawi. A Bankable Feasibility Study was commissioned in August 2009 and production is planned to commence in 2013 at a rate of 3,000tpa niobium metal, principally in the form of ferro-niobium.

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 Project in Mozambique. Initial drill programs on both projects will be undertaken in mid-2010.

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

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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 Executive Director - Exploration 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.*