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## ASX/Media Announcement

### June Quarter 2008 Activities Report

Globe Metals & Mining is delighted to present its June Quarter 2008 Activities Report.

The June Quarter has been one of the Company's busiest and most successful periods of operation to date, and the Board of Directors remain as confident and optimistic as ever on the outlook for the Company.

The Company's lead project, at Kanyika, Malawi, remains the main focus for the Company, and there were a number of key developments during the Quarter on this front.

#### Highlights

- **Kanyika Project – Malawi**
  - Scoping Study results announced – very positive
  - Next phase metallurgy commenced
  - 7,500m resource upgrade and exploration drill program commenced
- **Livingstonia – Malawi**
  - Initial results of 2008 drill program announced – uranium mineralisation identified over wide area of at least 600m x 500m at Chombe, open in multiple directions
  - Best results include:
    - 8.1m @ 644ppm eU<sub>3</sub>O<sub>8</sub> incl. 3.1m @ 806ppm eU<sub>3</sub>O<sub>8</sub>
    - 11.7m @ 283ppm eU<sub>3</sub>O<sub>8</sub> incl. 2.2m @ 677ppm eU<sub>3</sub>O<sub>8</sub>
- **Belele Dambo – Malawi**
  - Company's 4<sup>th</sup> EPL in Malawi granted
  - Initial reconnaissance program commenced
- **Corporate**
  - \$7.7m cash at bank at end of June Quarter
  - Change of Company name to "Globe Metals & Mining"

Globe Metals & Mining's Managing Director, Mr. Mark Sumich, said "we continue to make excellent progress as a Company at the operational level. Whilst this success is not currently reflected in the share price, we remain focused on our goals, and confident that we are building solid foundations for growth, which will ultimately be reflected in returns to investors."



# 1. Kanyika Project – Malawi

## 1.1. Scoping Study

Coffey Mining has completed the Study into the economic potential of Globe's Kanyika Project.

The Study modelled an open-pit mining operation, and the on-site production of marketable products (two levels of production of contained niobium metal (Nb) in a ferro-niobium alloy (FeNb) were considered, being 3,000t/year and 4,000t/year). The Study was carried out with an order of accuracy of  $\pm 30\%$  for mining costs and  $\pm 50\%$  for all other items.

Input parameters for the Study included results from initial metallurgical testwork conducted by SGS (Lakefield, Canada), the 56Mt Inferred JORC Resource estimated by Runge Limited and the environmental baseline study already completed by Coffey Natural Systems. Parameters for mining and processing operations, as well as transport and logistics, were developed by Coffey Mining.

Results show that the Kanyika Project has the potential to become a very profitable operation with at least a 20 year mine life.

<b>Highlights</b>	
(@ 4,000t Nb/year production: US\$)	
•	<b>\$3B revenue and \$1.1B free cash flow over 20 year period</b>
•	<b>High operating margins – \$93M in yr 1, averaging \$77M for the life of mine</b>
•	<b>Modest upfront capex. – \$177M</b>
•	<b>Short capital payback period &lt; 2 years</b>
•	<b>Niobium the primary commodity – 20% p.a. consumption growth last 5 yrs</b>
•	<b>Financial returns have potential to improve significantly with further work</b>
•	<b>Globe positioning itself for strategic alliance and off-take partner</b>

Production	3,000t/year Nb		4,000t/year Nb	
Initial Capex.	US\$156M		US\$177M	
	Year 1	Year 20	Year 1	Year 20
Mill Feed	1.7Mt	2.6Mt	2.2Mt	3.5Mt
Strip Ratio (waste:ore)	0.5	0.9	0.5	0.9
Revenue	US\$112M	US\$114M	US\$150M	US\$152M
Operating Expense	US\$41M	US\$63M	US\$52M	US\$80M
Operating Margin*	US\$71M	US\$50M	US\$98M	US\$72M
Capital Payback	< 2.5yrs		< 2yrs	

\* Excludes royalties and maintenance capital expenditure

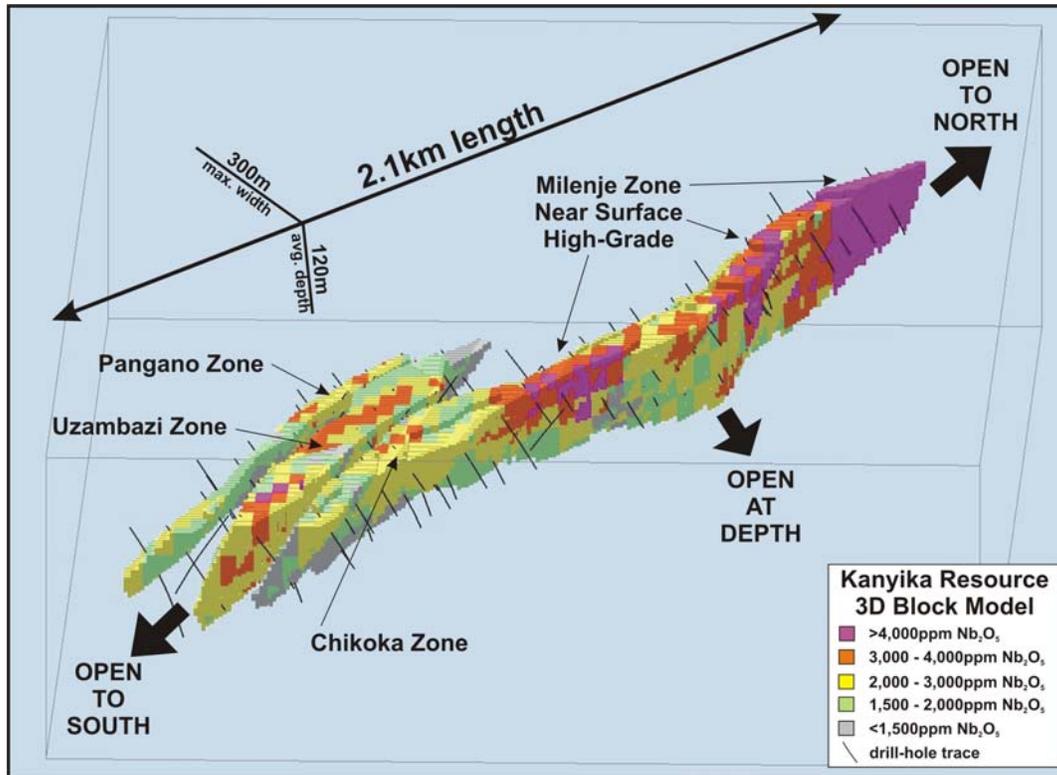


Figure 1: Kanyika Resource 3D Block Model (View is toward the NW)

### Mining

The large tonnage of near surface resources at Kanyika dictate that material will be mined by conventional open pit method - drill and blast followed by load and haul. Drilling and blasting will be performed on benches between 5m and 10m in height. The mining fleet will consist of between 80t and 120t sized hydraulic excavators, 65t to 90t off-highway dump trucks and standard open pit drilling and auxiliary equipment.

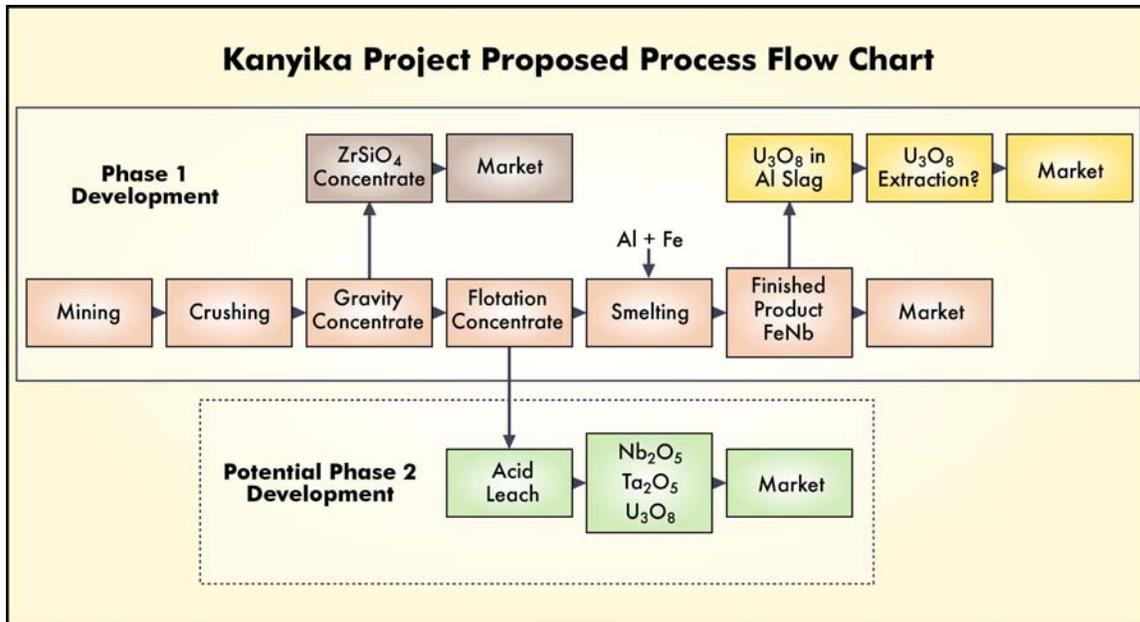
The very low strip ratio (waste:ore) of between 0.5 and 0.9 over the planned life-of-mine is highly favourable for this type of open-pit operation. Cashflow modeling was based on the actual Inferred Resource -  $\text{Nb}_2\text{O}_5$  material grading  $>2,500$  ppm is mined up to years 9 and 7 for the 3,000t and 4,000t Nb metal production scenarios respectively. After that point, further material at a grade of 2,500ppm  $\text{Nb}_2\text{O}_5$  is mined from a combination of the remaining Inferred Resource material and further mineralisation that is assumed will be discovered through continuing exploration, to extend the project life to 20 years.

### Process Flow Sheet/Metallurgy

Initial metallurgical testwork has been undertaken on representative samples of material from the Kanyika deposit to define a process flow sheet for production of niobium, uranium, tantalum and zircon products.

The main proposed stages of processing are:

1. **Crushing** – The ore is crushed to a sand size in order to liberate the pyrochlore grains that contain the Nb, Ta and U, and the zircon grains that contain Zr.
2. **Gravity Concentration** – The pyrochlore and zircon are concentrated with gravity methods including spirals and riffle tables. Some of the less heavy gangue (waste) minerals are removed in this way. A zircon concentrate will also be produced at this stage.



**Figure 2: Kanyika Project Proposed Process Flow Chart**

3. **Flotation** – From the gravity concentrate, a pyrochlore concentrate grading approximately 25% Nb<sub>2</sub>O<sub>5</sub> and 1% Ta<sub>2</sub>O<sub>5</sub> will be produced using conventional flotation techniques.
4. **Smelting** – The major product, a FeNb alloy with lesser amounts of tantalum, is produced via an aluminothermic reduction smelting process. The niobium combines with iron to form FeNb, whilst the U separates into the alumina-dominant slag.

The Study contemplates the same product being saleable to two separate markets. In the financial model, a majority of the FeNb is sold to the steel market, with the balance sold as an intermediate product to producers of high-purity niobium and tantalum oxides.

#### *Additional Upside Potential*

The Study undertaken by Coffey Mining is conservative in some key respects, in part because some of those assumptions used in the Study were requested by Globe.

1. **Metallurgy** – The Scoping Study used actual metallurgical recovery rates achieved to date, relying upon initial work carried out by SGS (Lakefield, Canada).

A further phase of metallurgical testing has however commenced, which is designed to optimise the gravity separation and flotation stages, and maximise both recovery rate and grades of the Nb-Ta-U (pyrochlore) concentrate. Perth-based mineral processing specialists, Nagrom, have been engaged for this work, and are being supervised by Globe's consulting metallurgist, John W. MacIntyre & Associates. The Company is confident this program will materially improve recovery rates above those achieved in the first-pass testwork (see Globe's ASX release of 26 May 2008).

2. **U<sub>3</sub>O<sub>8</sub> Revenues** – The Study does not include any potential revenues from uranium oxide production (other than the downstream processing potential for a high-purity oxide – see 6 below). The metallurgical process adopted in the Study assumes that uranium reports to the slag during smelting of the pyrochlore concentrate and is not recovered (see Figure 2: Kanyika Project Proposed Process Flow Sheet above).

Significant economic upside for the Project exists if uranium can be economically extracted from the slag. Metallurgical testwork to ascertain whether this is feasible is proposed to commence shortly.

3. **Further Exploration Success** – The 56Mt Inferred Resource at Kanyika has considerable potential to be enlarged by further exploration. The deposit is open at depth and along strike, most importantly, to the north of the high-grade Milenje Zone (see Figure 1: Kanyika Resource 3D Block Model).

Discovery of further higher-grade material at Kanyika (i.e. > ~3,000ppm Nb<sub>2</sub>O<sub>5</sub>) will greatly improve the operating costs and/or revenues modelled in the Study and potentially extend the mine life considerably.

4. **Metal Prices** – The primary marketable commodity at Kanyika is niobium, and sensitivity analyses show the niobium price is the single largest variable that affects the Kanyika Project cash flows and valuation.

The niobium prices used in the Study are substantially below current spot prices. A conservative approach to pricing was adopted because of the marked increases in prices (and demand) over the last 3 to 5 years. Should prices remain at or near current spot levels for an extended period of time, the potential improvement to the modelled cash flows and valuations would be significant.

5. **Power** – The Study assumes Globe will be self-sufficient for power in Malawi, and would not rely on the domestic electricity grid. The Study assumes on-site generation of power using HFO (heavy fuel oil) or diesel generators.

A number of developments are currently taking place in relation to Sub-Saharan energy and power infrastructure which have the potential to enhance Malawi's access to reliable sources of grid power over the medium term. The availability of reliable grid power would significantly reduce operating costs.

6. **Downstream Processing Option** – Coffey Mining also considered the option of a further stage of metallurgical processing, to produce high-purity niobium, tantalum and uranium oxides (see Figure 2: Kanyika Project Proposed Process Flow Chart above).

The incremental cash flows and financial returns of this option are significant.

## 1.2. Next Phase Metallurgy

Globe Metals & Mining has embarked on the second phase of metallurgical testwork on material from the Kanyika Deposit.

This program is designed to optimise gravity separation and flotation stages, and maximise both recovery rate and grades of the Nb-Ta-U concentrate. Pyrochlore is the dominant ore mineral at Kanyika and contains most of the niobium (Nb), tantalum (Ta) and uranium (U).

Preliminary testwork by SGS Lakefield has already achieved recovery of approximately 72% of the major economic elements to a concentrate, and the Company is confident that this figure will be improved in the current program.

A separate zircon concentrate will also be produced, which is anticipated to provide an additional revenue stream.

Once the process route has been optimised to produce best possible grades and recovery, samples of the resultant pyrochlore concentrate will be sent for pyrometallurgical tests and conversion to ferro-niobium alloy (FeNb).

This current phase of metallurgical testwork will culminate in pilot-scale testing of approximately 100 tonnes of run-of-mine grade material from Kanyika, to demonstrate that the optimised process route can potentially treat ore on a mine-scale throughput. This will result in a significant amount of ferro-niobium alloy product for despatch to potential buyers for market evaluation.

John W. MacIntyre & Associates (JMA) have been retained by the Company to manage the metallurgical program. John MacIntyre (FAusIMM) has over 33 years experience as a metallurgist working on a wide range of projects worldwide. The past 27 years have been associated with all aspects of new project development, namely metallurgical evaluations, feasibility studies, technical audits for financial institutions, project commissioning and management, as well as mine management.

### 1.3. Resource Upgrade Drilling

In June 2008, the Company announced the start of a 7,500m RC and diamond core drilling program at Kanyika designed to upgrade, by way of infill drilling, the JORC resource category of the majority of the ~14Mt high-grade, near surface inferred resource component.

#### *Details of the Drilling Campaign*

1. The 7,500m of drilling comprises approximately 6,000m of RC drilling and 1,500m of diamond drilling.
2. Infill drilling focussing on the high-grade, near surface areas will improve the current 100m x 40m drill-hole spacing to 50m x 20 drill-hole spacing.
3. Diamond core drilling will provide metallurgical samples, structural geological information, geotechnical data as well as provide greater confidence in the Company's geological model.
4. Representatives of independent mining consultants Runge Limited visited the Kanyika Project in May 2008, in preparation for upgrading the resource estimate later in 2008.
5. The drilling campaign will also explore for extensions at depths and along strike of high-grade areas in the Milenje Zone. The 56Mt inferred resource has only been drilled to an average vertical depth of 120m, and is open to the south and north, the latter being the higher grade Milenje Zone.
6. The planned drilling program will take approximately three months to complete. Major Drilling are providing the diamond core and RC drill rig for the program.

## 2. Livingstonia Project – Malawi

Globe Metals & Mining recently announced results from the first phase of its 2008 drilling program at its 100%-owned Livingstonia Uranium Project in Malawi; 29 RC drill holes are completed, with an additional 35 to be reported soon. Highlights included:

- Uranium mineralisation identified over wide area of at least 600m x 500m at Chombe, open in multiple directions
- Best results include:
  - 8.1m @ 644ppm eU<sub>3</sub>O<sub>8</sub> incl. 3.1m @ 806ppm eU<sub>3</sub>O<sub>8</sub>
  - 11.7m @ 283ppm eU<sub>3</sub>O<sub>8</sub> incl. 2.2m @ 677ppm eU<sub>3</sub>O<sub>8</sub>

RC drilling at the Chombe Prospect was designed to follow-up significant uranium mineralisation intersected in the 2007 drilling program. The new drilling has identified a broad area, more than 600m x 500m, of shallowly-dipping uranium mineralisation hosted in Karoo sedimentary rocks. Two distinct NW-SE trends of thicker and higher grade uranium have been identified within this broader envelope.

A total of 29 RC holes for 3,343m were completed on the Chombe prospect in May 2008. The holes were all probed with a spectral gamma logging tool by the Company's onsite geological team. Spectral gamma logging results are reported as equivalent U<sub>3</sub>O<sub>8</sub>, denoted eU<sub>3</sub>O<sub>8</sub>. All mineralised intervals identified by the gamma logging have been sampled and submitted for corroborative laboratory chemical analysis.

The new drilling has identified a broad, shallowly dipping, somewhat tabular mineralised envelope with approximate minimum dimensions of 600m x 500m. Two zones of thicker and higher grade

mineralisation, with apparent NW-SE trends, occur within this area. Mineralised intervals range up to 15m in thickness.

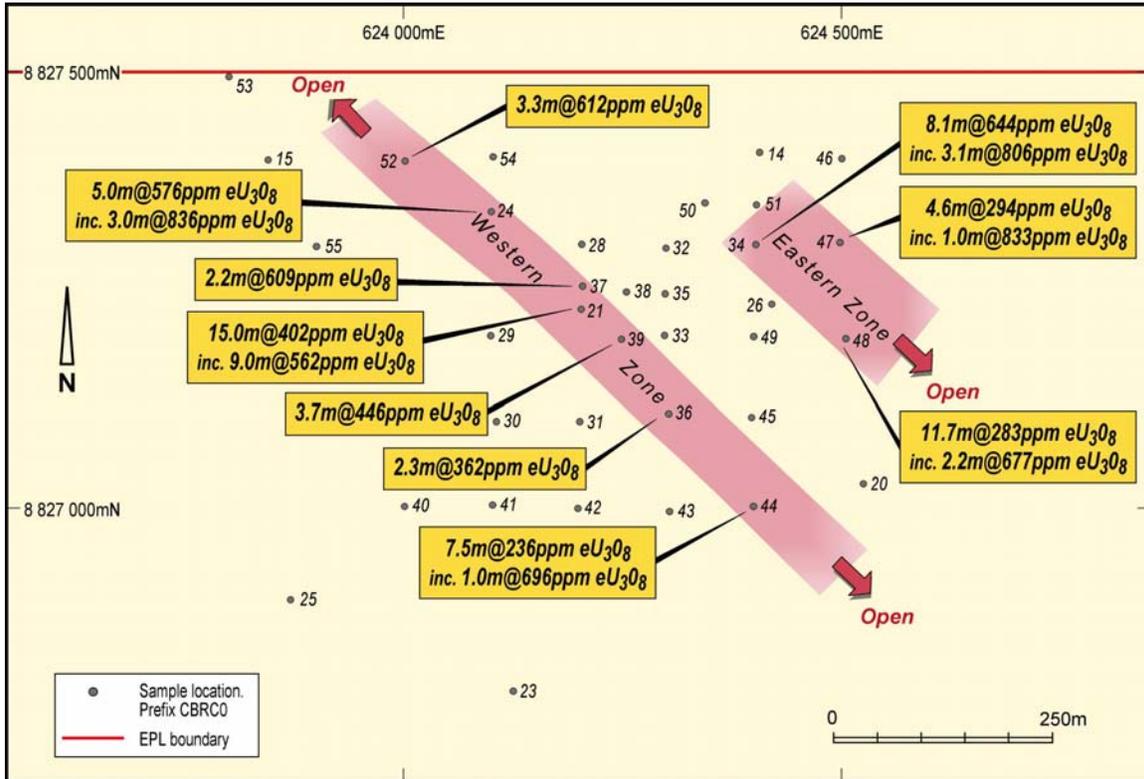


Figure 3: RC Drill Hole Location Plan and Key Results – Chombe Prospect, Livingstonia Uranium Project

The Western zone has been intersected in drill holes CBRC052, 024, 037, 021, 039, 036 and 044. The Eastern zone has been intersected by drill holes CBRC034, 047 and 048. All other drill-holes intersected minor zones of uranium mineralisation at various stratigraphic levels.

Best results are listed in Table 1 below:

Table 1: Best Chombe RC drilling results 2007 & 2008

Hole ID	Mineralised Zone	Intercept Length (m)	eU <sub>3</sub> O <sub>8</sub> (ppm)
CBRC052	Western	3.3	612
CBRC024*	Western	5.0	576*
	inc.	3.0	836*
CBRC037	Western	2.2	609
CBRC021*	Western	15.0	402*
	inc.	9.0	562*
CBRC039	Western	3.7	446
CBRC036	Western	2.3	362
CBRC044	Western	7.5	236
	inc.	1.0	696
CBRC034	Eastern	8.1	644
	inc.	3.1	806

<b>CBRC047</b>	Eastern	<b>4.6</b>	<b>294</b>
	inc.	<b>1.0</b>	<b>833</b>
<b>CBRC048</b>	Eastern	<b>11.7</b>	<b>283</b>
	inc.	<b>2.2</b>	<b>677</b>

\*Drill-holes CBRC021 and 024 were drilled in 2007, have been previously reported and are reported here as laboratory chemical analysis. All other holes were drilled in 2008. Grid system is UTM WGS 84 Zone 36S.

**Note re: equivalent uranium ( $eU_3O_8$ ) results:** Down-hole spectral gamma logging measures the natural gamma rays emitted from rock surrounding a drill-hole. These measurements are used to estimate uranium concentrations with the commonly and accepted initial assumption being that the uranium is in (secular) equilibrium with its daughter products (or radio-nuclides) which are the principal gamma emitters. The true uranium concentration in the holes logged using the gamma probe may be higher or lower than those reported as equivalent uranium ( $eU_3O_8$ ) if uranium is not in equilibrium – as a result of the redistribution of uranium and/or its daughter products – and/or other factors. As part of the QA/QC procedures employed by the Company, the downhole logging system used was independently calibrated by Geotron Systems Pty Ltd of Johannesburg, South Africa, to allow accurate estimation of uranium content. A number of holes on-site with known uranium intercepts determined by laboratory chemical analyses are routinely re-logged to ensure the downhole unit is operating correctly at all times.

### 3. Belele Dambo – Malawi

In May 2008, the Company announced that it has been granted a new Exclusive Prospecting Licence (EPL) in Malawi by the Minister of Energy & Mines in the Belele Dambo area of central-western Malawi.

The EPL is 653km<sup>2</sup>, includes U, Nb, Ta, Zr and all REEs (rare earth elements), is for a term of 3 years and the Company has a 100% interest (in the specified elements).

The Belele Dambo target was identified by the Company's geological team in airborne radiometric imagery. A distinct U anomaly, with coincident high U/Th ratios, measuring approximately 1.5km by 1km, is the prime target. In addition, radiometric and magnetic imagery indicate that the anomaly is located on a distinct, north-striking, fault or shear zone that extends for at least 20km to the north, and to the south across the Zambian border.

Regional geological map sheets indicate that the area is entirely covered by unconsolidated Quaternary sands and soil. Airborne magnetic imagery, however, indicates that the underlying rocks are Proterozoic in age. The same age rocks host the alkalic granitoid intrusion that contains the Company's 56Mt Nb-U-Ta-Zr deposit at Kanyika, 80km to the SE.

The Company's initial exploration program, which has already begun, consisted of ground radiometric surveys, soil and rock-chip sampling programs and pitting and trenching over anomalous areas – eight 4m deep pits were excavated by hand to expose the underlying radiometrically anomalous rock units.

The material in the pits was in situ granitic saprolite. Scintillometer readings gave up to 6 x background response.

Laboratory results from channel sampling of the pits will be reported when they become available.

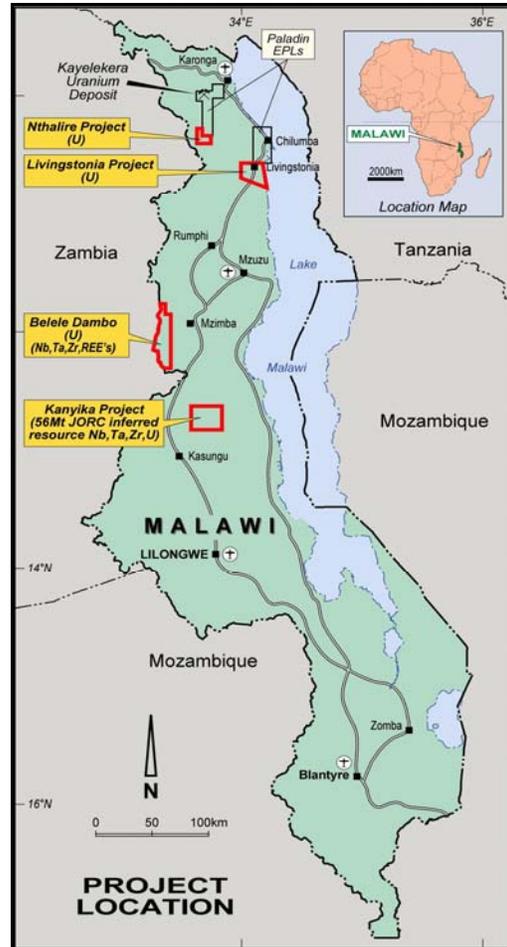


Figure 4: Malawi Project Location Map

## **About Globe Metals & Mining**

Globe Metals & Mining Limited is an African-focussed uranium and specialty metals resource company. Its lead project is the multi-commodity (niobium, uranium, tantalum and zircon) Kanyika Project in central Malawi, which contains a 56Mt Inferred Resource, announced in March 2008. The Company has a number of other uranium projects in Malawi and surrounding countries, which it manages from its regional exploration office in Lilongwe, the capital of Malawi.

The Company has been listed on ASX since December 2005, and has its corporate head office in Perth, Australia.

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