



## **NOTICE OF ANNUAL GENERAL MEETING**

– and –

## **EXPLANATORY STATEMENT**

– and –

## **PROXY FORM**

**DATE AND TIME OF MEETING:**  
Monday 30 November 2009 at 10.30am

**VENUE:**  
The Pavilion  
Royal King's Park Tennis Club  
21 King's Park Road, West Perth, Western Australia 6005

**These documents should be read in their entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.**

Globe Metals & Mining Limited  
ABN 33 114 400 609

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Globe Metals & Mining Limited  
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## NOTICE OF MEETING

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Notice is hereby given that the Annual General Meeting of the members of Globe Metals & Mining Limited ("Globe" or the "Company") will be held at The Pavilion, Royal King's Park Tennis Club, 21 King's Park Road, West Perth, Western Australia 6005, at 10.30am, Monday 30 November 2009.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

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| <b>ORDINARY BUSINESS</b> |
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**Item 1 - Financial Statement and Reports**

To receive and consider the annual financial report of the Company, together with the Directors' and auditors reports for the period ended 30 June 2009.

**Resolution 1 Adoption of Remuneration Report (Non-binding)**

To consider and if thought fit, pass with or without amendment the following **advising only resolution**:

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as detailed in the Directors' report for the period ending 30 June 2009 be adopted."*

**Resolution 2 Election of Directors**

To consider and if thought fit, pass with or without amendment the following resolutions as **ordinary resolutions**:

- (a) *"That for all purposes, Dr Julian Stephens who retires in accordance with clause 11.12 of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director."*
- (b) *"That for all purposes, Mr David Sumich who retires in accordance with clause 11.3 of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director."*

**Resolution 3 Ratification of issue of securities**

To consider and if thought fit, pass with or without amendment the following resolution as an **ordinary resolution**:

*"That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 2,835,084 Shares and 350,000 Options to employees, consultants and contractors of the Company on the terms and conditions set out in the Explanatory Statement."*

**Voting exclusion:** The Company will disregard any votes cast on this resolution by any person who participated in the issue the subject of this resolution and any person associated with those persons. However, the Company need not disregard any vote if it is cast by a person as proxy for

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a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 4 Issue of Performance Shares to Dr Julian Stephens – to convert to ordinary fully paid shares on the Company achieving a positive BFS and commencing production at Kanyika Niobium Project**

To consider, and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 6, for the purposes of ASX Listing Rule 10.11 and section 208(1) of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue:*

- (a) 430,000 Class A Performance Shares (and to convert the Class A Performance Shares into ordinary fully paid shares, subject to the Company obtaining a positive bankable feasibility study in relation to the Kanyika Niobium Project, on or before 31 December 2011); and*
- (b) 860,000 Class B Performance Shares (and to convert the Class B Performance Shares into ordinary fully paid shares, subject to the Company commencing production on the Kanyika Niobium Project, on or before 30 June 2014),*

*to Dr Julian Stephens (or his nominees) on the terms and conditions and in the manner described in the Explanatory Statement.”*

**Voting exclusion:** The Company will disregard any votes cast on this resolution by Dr Julian Stephens and his Associates. However the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 5 Issue of Performance Shares to Mr Mark Sumich – to convert to ordinary fully paid shares on the Company achieving a positive BFS and commencing production at Kanyika Niobium Project**

To consider, and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to the passing of Resolution 6, for the purposes of ASX Listing Rule 10.11 and section 208(1) of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue:*

- (a) 1,070,000 Class A Performance Shares (and to convert the Class A Performance Shares into ordinary fully paid shares, subject to the Company obtaining a positive bankable feasibility study in relation to the Kanyika Niobium Project, on or before 31 December 2011); and*
- (b) 2,140,000 Shares Class B Performance Shares (and to convert the Class B Performance Shares into ordinary fully paid shares, subject to the Company commencing production on the Kanyika Niobium Project, on or before 30 June 2014),*

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*to Mark Sumich (or his nominees) on the terms and conditions and in the manner described in the Explanatory Statement.”*

**Voting exclusion:** The Company will disregard any votes cast on this resolution by Mr Mark Sumich or his Associates. However the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Resolution 6      Variation of Class Rights**

To consider, and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, subject to and conditional upon the passing of Resolutions 4 and 5, pursuant to and in accordance with clause 3.6 of the Constitution and sections 246B(1) and 246C(5) of the Corporations Act and for all other purposes, shareholders approve any variation of the rights attached to each ordinary share of the Company already on issue that arises from the issue (and subsequent conversion into ordinary shares in accordance with their terms) of the Class A Performance Shares and the Class B Performance Shares to Dr Julian Stephens and Mr Mark Sumich as contemplated by Resolutions 4 and 5.”*

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**PROXIES**

1. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of the member. If two proxies are appointed, and a member does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes. A proxy need not be a member of the Company.
2. In order to vote on behalf of a company that is a Shareholder of Globe, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.
3. Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the registered office of the Company, at Suite 3, 16 Ord Street, West Perth WA 6005, or by facsimile (61 8) 9486 1718 not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.
4. An instrument appointing a proxy:
  - (a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
  - (b) may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;
  - (c) shall be deemed to confer authority to demand or join in demanding a poll; and
  - (d) shall be in such form as the Directors determine and which complies with Section 250A of the Corporations Act 2001 and the Listing Rules.

**VOTING EXCLUSION**

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

**ATTENDANCE AND VOTING ELIGIBILITY**

For the purpose of regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00pm WST on Saturday, 28 November 2009. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

BY ORDER OF THE BOARD

**Lloyd Flint**

**Company Secretary**

Dated: 16 October 2009

## Explanatory Statement

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### INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of Globe Metals & Mining Limited (“**Globe**” or the “**Company**”) in relation to the business to be concluded at the Company’s Annual General Meeting to be held at The Pavilion, Royal King’s Park Tennis Club, 21 King’s Park Road, West Perth, Western Australia 6005, at 10.30am, Monday, 30 November 2009.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in the glossary.

### Annual Report 2009

The Annual Report 2009 can be accessed online at the Company’s website:  
[www.globemetalsandmining.com.au](http://www.globemetalsandmining.com.au)

### Enquiries

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Statement should be directed to the Company’s Executive Chairman, Mr Mark Sumich or Company Secretary, Mr Lloyd Flint (telephone: +61 8 9486 1779).

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## 1. ITEM 1: FINANCIAL AND OTHER REPORTS

The Corporations Act requires the Directors of the Company to lay before the Annual General Meeting the Financial Statement, the Directors’ Report and the Auditor’s Report for the last financial year that ended 30 June 2009.

These reports are contained in the Company’s Annual Report for the period ended 30 June 2009 which has been provided to all Shareholders and is also available on the Company’s website at [www.globemetalsandmining.com.au](http://www.globemetalsandmining.com.au).

As required under section 250PA of the Corporations Act, at the Annual General Meeting, the Company will make available those questions directed to the auditor and received by the Company by 23 November 2009, being questions which the auditor considers relevant to the content of the Independent Auditor’s Report or the conduct of the audit of the Financial Report. Every endeavor will be made during the Annual General Meeting to answer questions submitted by Shareholders. However, depending on the number and types of questions received, it may not be possible to respond to every submitted question, either at or after the Meeting.

To enable Shareholders who cannot attend the Annual General Meeting to raise issues and to assist the Board and the auditor of the Company in responding to questions, please submit any questions you may have on the Questions From Shareholders Form (following the Proxy Form attached to this Explanatory Statement) and return the form in person or by mail to PO Box 1811, West Perth, Western Australia, 6872 or by fax on (08) 9486 1718 so that it is received by no later than 23 November 2009.

## 2. RESOLUTION 1: APPROVAL OF REMUNERATION REPORT

Section 249L(2) of the Corporation Act requires a company to inform shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section

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250R(2) of the Corporations Act requires a resolution that the Remuneration Report be adopted must be put to the vote. Resolution 1 seeks this approval.

However, in accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an “advisory only” Resolution which does not bind the Directors or the Company.

Following consideration of the Remuneration Report, the Chairman, in accordance with section 250SA of the Corporations Act, must give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Remuneration Report includes all of the information required by Section 300A of the Corporations Act, including:

- board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of Directors, secretaries and senior managers of the Company;
- discussion of the relationship between such policy and the Company’s performance; and
- the prescribed details in relation to the remuneration of each Director and certain executives.

### 3. RESOLUTION 2: ELECTION OF DIRECTORS

In accordance with Listing Rule 14.4 and clause 11.3 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

In addition, clause 11.12 of the Constitution requires that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next Annual General Meeting following his or her appointment, but is eligible for re-election at that Annual General Meeting.

These requirements for a Director to retire do not apply to a Managing Director (but if there is more than one Managing Director, only one is exempt from retirement).

In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not taken into account. Accordingly, Resolution 2 seeks approval for the appointment of the following Directors.

- (a) Dr Julian Stephens who was appointed by the Directors to fill a casual vacancy now retires. Being eligible, Dr Julian Stephens offers himself for election as a Director of the Company, with effect on and from the close of the Meeting.
- (b) Mr David Sumich retires by rotation at this Meeting and being eligible, offers himself for re-election as a Director of the Company, with effect on and from the close of the Meeting.

Details relating to candidates are set out below:

#### **Dr Julian Stephens**

Julian has over 15 years of experience in the exploration and mining sectors and economic-structural geology research fields. Julian was employed as Globe’s Exploration Manager from



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2006-2008, before becoming an Executive Director in late 2008. Between 2004 and 2006 Julian was employed as a senior structural/economic geology consultant for mining consultancy RSG Global.

From 1999 to 2003 Julian completed his PhD at James Cook University, Queensland. His thesis was entitled "Structural, mechanical and P-T evolution of intrusion-related gold systems at Clear Creek and Dublin Gulch, Yukon, Canada". Julian worked as a consulting geologist in western Canada between 2003 and 2004. From 1995 to 1999, Julian worked as a mine and exploration geologist for a number of junior and major companies in Australia.

### **Mr David Sumich**

David brings to the Company over 15 years experience in the investment banking and corporate finance fields. He worked for Merrill Lynch during the early 90's where he worked in the International Private Banking division and assisted many small companies through the seed capital stage to ASX listing. More recently, David has worked in the Middle East including with HSBC, advising many resource and energy corporations throughout Middle East and Africa on project finance, mergers and acquisitions and financing solutions. David has also worked in Hong Kong for a venture capitalist and asset management firm and became a member of the Hong Kong Securities and Futures Commission. David is also Executive Director of ASX listed company, DMC Mining Limited.

#### **4. RESOLUTION 3: RATIFICATION OF THE ISSUE OF SECURITIES**

During the period from 1 October 2008 to 30 September 2009 the Company announced the issue of 2,835,084 Shares and 350,000 Options to certain employees, consultants and contractors of the Company.

Shareholder approval is sought to ratify the Shares and Options previously issued and referred to in Resolution 3.

The Company has for the operational period under review, up to the date of the Meeting, allotted and issued such Shares and Options to employees, consultants and contractors, in order to save the Company's cash resources and also to attract and retain the services of valued staff, consultants and contractors during the harsh economic conditions currently being experienced.

ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company ratifies a prior issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing the company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 3 proposes the ratification and approval of the allotment and issue of 2,835,084 Shares and 350,000 Options to employees, consultants and contractors of the Company for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

The information required to be provided to shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

In compliance with the information requirements of ASX Listing Rule 7.5, members are advised of the following particulars in relation to the ratification of the allotment and issue under Resolution 3:

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## 1. Number of securities allotted

2,835,084 Shares and 350,000 unlisted Options expiring 1 September 2014 and exercisable at \$0.30 cents and otherwise on terms and conditions contained at Annexure A have been issued.

## 2. The price at which the securities were issued

The Shares have been issued at deemed issue prices ranging from 8 cents per Share to 27 cents per Share, and the Options were issued for nil consideration.

## 3. The terms of the securities

The Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue. The Options have no voting rights and are otherwise issued on the terms and conditions set out in Annexure A.

## 4. The basis on which allottees were determined

The allottees to whom Shares and Options were issued were classified and determined on the following basis:

- (a) Employees – persons who were, at the date of issue, employees of the Company. Shares and/or Options were issued to the employees either:
  - (i) in recognition of their services and contribution to the Company;
  - (ii) as part of the Company's retention incentive; or
  - (iii) as part of the Company's salary sacrifice initiative.
- (b) Consultants – consultants engaged by the Company for the provision of services. Shares and/or Options were issued to the consultants in lieu of the consulting costs and fees.
- (c) Contractors – contractors engaged by the Company for the provisions of various services. Shares and/or Options were issued to the contractors in lieu of cash payable for services provided to the Company.

None of the Shares or Options were issued to Directors of the Company.

## 5. The use of (or intended use) of the funds raised

The Shares and Options referred to in Resolution 3 were issued for nil consideration and as part of the Company's strategy to preserve cash, to retain a core of highly skilled employees and maintain access to a highly skilled collection of consultant professionals and contractors, particularly in Africa. Accordingly, no funds were raised from the issue of the Shares or Options. Funds will be raised on the eventual exercise of the Options, however, there is no guarantee that the Options will be exercised.

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## **5 RESOLUTION 4: ISSUE OF PERFORMANCE SHARES TO DR JULIAN STEPHENS – TO CONVERT TO ORDINARY FULLY PAID SHARES ON THE COMPANY ACHIEVING A POSITIVE BFS AND COMMENCING PRODUCTION AT KANYIKA NIOBIUM PROJECT**

### **5.1 Background to Resolution 4**

The Board of Directors firmly believe that Director Dr Julian Stephens is critical to the ongoing success of the Company. It considers that his efforts to date and ongoing contributions in relation to the Company's projects need to be appropriately recognised if the Company is to retain his services.

Dr Stephens is part of the board that has taken the Kanyika Niobium Project from a low priority regional geophysical anomaly in March 2006 when the concession was granted, to procuring funding of US\$12.5 million for the purposes of undertaking a bankable feasibility study following the recent joint venture with Thuthuka Group Limited and the additional \$5.2 million share placement. This is a remarkable rate of development for any project particularly given its location in a small African nation which had a limited mining industry at the time.

Accordingly, Resolution 4 seeks Shareholder approval for the issue of:

- (a) 430,000 Class A Performance Shares; and
- (b) 860,000 Class B Performance Shares,

to Dr Julian Stephens (or his nominees).

Each Performance Share will convert into one (1) ordinary fully paid share, subject to the Company achieving the following milestones:

- (a) in respect of a Class A Performance Shares, the Company obtains a positive BFS, on or before 31 December 2011 (i.e. resulting in the issue of 430,000 ordinary fully paid shares); and
- (b) in respect of a Class B Performance Shares, the Company commences production on the Project, on or before 30 June 2014 (i.e. resulting in the issue of 860,000 ordinary fully paid shares).

However, if the above milestones are not achieved in accordance with their terms, then they will convert as follows:

- (a) all 430,000 Class A Performance Shares will convert into only 4 ordinary fully paid shares; and
- (b) all 860,000 Class B Performance Shares will convert into only 8 ordinary fully paid shares.

The full terms and conditions of the Performance Shares are set out in Annexures B and C.

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to Dr Julian Stephens (or his nominees). These are summarised below.

### **5.2 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a director of the company.

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If Resolution 4 is passed, securities will be issued to Dr Julian Stephens (or his nominees), who is a Director of the Company. Accordingly, approval for the proposed issue of Performance Shares to Dr Julian Stephens (or his nominees) is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the securities to Dr Julian Stephens (or his nominees) as approval is being obtained under ASX Listing Rule 10.11. ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not issue during a 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the total ordinary shares on issue at the commencement of that 12 month period. Shareholders should note that the Performance Shares proposed to be issued to Dr Julian Stephens (or his nominees) pursuant to Resolution 4 will not be included in the Company's 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a Notice of Meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the maximum number of securities to be issued by the Company under Resolution 4 is 1,290,000 Performance Shares;
- (b) the Performance Shares will be issued no later than one month after the Meeting;
- (c) the Performance Shares will be issued for nil consideration.
- (d) the Performance Shares, on conversion to ordinary shares (subject to the relevant milestones being achieved as set out in Annexure B and C) will rank equally with ordinary fully paid shares on issue; and
- (e) no funds will be raised from the issue of the Performance Shares as the issue is part of the Company's performance incentive scheme implemented by the Company on 30 September 2009.

### 5.3 Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" without shareholder approval.

As Dr Julian Stephens is a Director of the Company, the Performance Shares proposed to be issued under Resolution 4 constitutes the giving of a financial benefit to a related party of the Company.

Accordingly, the following information is provided in accordance with section 219 of the Corporations Act to enable shareholders to assess the merits of Resolution 4:

**(a) The related party to whom the proposed resolution would permit the financial benefit to be given**

The Performance Shares proposed to be issued under Resolution 4 will be issued to Dr Julian Stephens (or his nominees) as a Director of the Company.

**(b) The nature of the financial benefit**

The nature of the financial benefit is the proposed issue of an aggregate 1,290,000 Performance Shares. The Performance Shares are issued for no consideration on the terms and conditions set out in Annexures B and C.

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### (c) Valuation

ASIC requires that a dollar value be placed on the Performance Shares proposed to be issued to Dr Julian Stephens for inclusion in this Explanatory Statement. The Company has obtained a valuation of the Performance Shares proposed to be issued to Dr Julian Stephens pursuant to Resolution 4. The Performance Shares were valued on 13 October 2009 based on the thirty day weighted Share price prior to 13 October 2009 being the date of the valuation.

The key assumptions in this valuation are:

- the underlying quoted securities of the Performance Shares (i.e., fully paid ordinary shares), provide the preferred alternative for the valuation of the Performance Shares for an exploration company not yet deriving a cash flow from production;
- the underlying securities being the ordinary fully paid shares are quoted on the ASX and hence a "market" related value can be ascertained;
- the Performance Share valuation has no "time" value applied even though they may convert to ordinary shares in the future in accordance with Annexures B and C;
- no discount for "risk" has been applied to the value of the Performance Shares even though they may not convert to ordinary shares in the future;
- the "time" value and discount for risk set each other off in the consideration of value of the Performance Shares and hence approximates to the Share price of the Company; and
- the quoted ordinary fully paid share, the underlying security of the Performance Share, has traded between a low of \$0.07 (17 March 2009) and a high of \$0.36 (22 September 2009) during the last 12 months.

Based on the above, the Performance Shares have been valued at \$0.268 each. On this basis the Performance Shares proposed to be issued to Dr Julian Stephens pursuant to Resolution 4 have an aggregate value of \$345,720. However, if the relevant conditions to the conversion of the Performance Shares are not achieved, then the Performance Shares will only convert to a nominal number of ordinary fully paid shares and will have a negligible value.

### (d) Directors' Recommendations

Dr Julian Stephens declines to make a recommendation in regards to this Resolution as he has a material personal interest in its outcome.

The Directors (other than Dr Julian Stephens) recommend that the Shareholders vote in favour of Resolution 4 for the reasons set out in the Explanatory Statement and on the basis that, in their opinion, the proposed issue of the Performance Shares:

- is critical to incentivise Dr Julian Stephens to contribute to the ongoing success of the Company and to drive the Company's projects to production;
- is a fair and reasonable alternative to a cash payment which also provides an incentive to Dr Julian Stephens in the provision of services by him to the Company required to commercialise the Company's projects;

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- are commercial for the Company in light of the potential benefits, dilution effect and potential costs described above; and
- is necessary to reflect remuneration paid to directors of companies in industries and of a size similar to that of the Company.

**(e) Directors' interest in the proposed resolution**

Other than Dr Julian Stephens, the remaining Directors have no interest in the subject matter of this Resolution.

**(f) Any other information that is reasonably required by the Shareholders to make a decision and that is known to the Company or any of its directors.**

As at the date of the Notice of Annual General Meeting, Dr Julian Stephens and his associates hold the following securities:

|           |   |
|-----------|---|
| Shares    | 730,236 ordinary fully paid   |
| Options   | 600,000 unlisted, expiring on or before 20 July 2013 with an exercise price of \$0.15                                     |
| Interests | 200,000 ordinary fully paid shares to be issued on 30 June 2010 subject to remaining employed by the Company at that date |

which represents 1.7% of the issued capital of the Company.

The Company currently has 90,879,536 Shares on issue. If Resolution 4 is approved, and no other securities were issued by the Company (including securities referred to in this Explanatory Statement), Dr Julian Stephens would hold the following relevant interest in the issued capital of the Company:

- (a) 2.2% following the conversion of the Class A Performance Shares to Shares in accordance with Annexure B; and
- (b) 3.1% following the conversion of the Class B Performance Shares to Shares in accordance with Annexure C.

If Shareholders approve the issue of the Performance Shares to Dr Julian Stephens (or his nominees) pursuant to this Resolution and no other securities were issued by the Company (including securities referred to in this Explanatory Statement), the effect will be to dilute the shareholdings of existing Shareholders as follows:

- (a) 0.5% following the conversion of the Class A Performance Shares to Shares in accordance with Annexure B; and
- (b) 1.4% following the conversion of the Class B Performance Shares to Shares in accordance with Annexure C,

on an undiluted basis, based on the number of Shares on issue as at the date of the Notice of General Meeting.

In addition to the Shares referred to in this Resolution, Dr Julian Stephens as an executive director of the Company and pursuant to his Executive Employment Agreement is also entitled to an annual salary of \$175,000, plus superannuation.

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There is no other information that is known to the Directors that is reasonably required by the Shareholders to make a decision on whether or not it is in the best interest of the Company to pass this Resolution 4.

## **6 RESOLUTION 5: ISSUE OF PERFORMANCE SHARES TO MARK SUMICH – TO CONVERT TO ORDINARY FULLY PAID SHARES ON THE COMPANY ACHIEVING A POSITIVE BFS AND COMMENCING PRODUCTION AT KANYIKA NIOBIUM PROJECT**

### **6.1 Background to Resolution 5**

The Board of Directors believe that Executive Chairman Mark Sumich is critical to the ongoing success of the Company. It considers that his efforts to date and ongoing contributions in relation to the Company's projects need to be appropriately recognised if the Company is to retain his services.

Mr Sumich has taken the Kanyika Niobium Project from a low priority regional geophysical anomaly in March 2006 when the concession was granted, to procuring funding of US\$12.5 million to undertake a bankable feasibility study following the recent joint venture with Thuthuka Group Limited and the additional \$5.2 million share placement. This is a remarkable rate of development for any project particularly given its location in a small African nation which had a limited mining industry at the time.

Mr Sumich has invested in the Company approximately \$450,000 cash (by way of the exercise of options) demonstrating his personal belief in and commitment to the success of the project and the Company.

Accordingly, Resolution 5 seeks Shareholder approval for the issue of:

- (a) 1,070,000 Class A Performance Shares; and
- (b) 2,140,000 Class B Performance Shares,

to Mark Sumich (or his nominees).

Each Performance Share will convert into one (1) ordinary fully paid share, subject to the Company achieving the following milestones:

- (a) in respect of a Class A Performance Shares, the Company obtains a positive BFS, on or before 31 December 2011 (i.e. resulting in the issue of 1,070,000 ordinary fully paid shares); and
- (b) in respect of a Class B Performance Shares, the Company commences production on the Project, on or before 30 June 2014 (i.e. resulting in the issue of 2,140,000 ordinary fully paid shares).

However, if the above milestones are not achieved in accordance with their terms, then they will convert as follows:

- (a) all 1,070,000 Class A Performance Shares will convert into only 10 ordinary fully paid shares; and
- (b) all 2,140,000 Class B Performance Shares will convert into only 21 ordinary fully paid shares.

The full terms and conditions of the Performance Shares are set out in Annexures B and C.

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The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to Mark Sumich (or his nominees). These are summarised below.

### **6.2 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a director of the company.

If Resolution 5 is passed, securities will be issued to Mark Sumich (or his nominees), who is a Director of the Company. Accordingly, approval for the proposed issue of Shares to Mark Sumich (or his nominees) is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the securities to Mark Sumich (or his nominees) as approval is being obtained under ASX Listing Rule 10.11. ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not issue during a 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the total ordinary shares on issue at the commencement of that 12 month period. Shareholders should note that the Performance Shares proposed to be issued to Mark Sumich (or his nominees) pursuant to Resolution 5 will not be included in the Company's 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a Notice of Meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the maximum number of securities to be issued by the Company under Resolution 5 is 3,210,000 Performance Shares;
- (b) the Performance Shares will be issued no later than one month after the date the Meeting;
- (c) the Performance Shares will be issued for nil consideration;
- (d) the Performance Shares, on conversion to ordinary shares (subject to the relevant milestones being achieved as set out in Annexure B and C) will rank equally with ordinary fully paid shares on issue; and
- (e) no funds will be raised from the issue of the Performance Shares as the issue is part of the Company's performance incentive scheme implemented by the Company on 30 September 2009.

### **6.3 Section 208 of the Corporations Act**

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" without shareholder approval.

As Mark Sumich is a Director of the Company, the Performance Shares proposed to be issued under Resolution 5 constitutes the giving of a financial benefit to a related party of the Company.

Accordingly, the following information is provided in accordance with section 219 of the Corporations Act to enable shareholders to assess the merits of Resolution 5:



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**(a) The related party to whom the proposed resolution would permit the financial benefit to be given**

The Performance Shares proposed to be issued under Resolution 5 will be issued to Mark Sumich (or his nominees) as a Director of the Company.

**(b) The nature of the financial benefit**

The nature of the financial benefit is the proposed issue of an aggregate 3,210,000 Performance Shares. The Performance Shares are issued for no consideration on the terms and conditions set out in Annexures B and C.

**(c) Valuation**

ASIC requires that a dollar value be placed on the Performance Shares proposed to be issued to Mark Sumich for inclusion in this Explanatory Statement. The Company has obtained a valuation of the Performance Shares proposed to be issued Mark Sumich pursuant to Resolution 5. The Performance Shares were valued on 13 October 2009 based on the thirty day weighted Share price prior to 13 October 2009 being the date of the valuation.

The key assumptions in this valuation are:

- the underlying quoted securities of the Performance Shares (i.e., fully paid ordinary shares) provide the preferred alternative for valuation of the Performance Shares for an exploration company not yet deriving a cash flow from production;
- the underlying securities being the ordinary fully paid shares are quoted on the ASX and hence a "market" related value can be ascertained;
- the Performance Share valuation has no "time" value applied even though they may convert to ordinary shares in the future in accordance with Annexures B and C;
- no discount for "risk" has been applied to the value of the Performance Shares even though they may not convert to ordinary shares in the future; and
- the "time" value and discount for risk set each other off in the consideration of value of the Performance Shares and hence approximate to the Share price of the Company.
- The quoted ordinary fully paid share, the underlying security of the Performance Share, has traded between a low of \$0.07 (17 March 2009) and a high of \$0.36 (22 September 2009) during the last 12 months.

Based on the above, the Performance Shares have been valued at \$0.268 each. On this basis the Performance Shares proposed to be issued to Mark Sumich pursuant to Resolution 5 have an aggregate value of \$860,280. However, if the relevant conditions to the conversion of the Performance Shares are not achieved, then the Performance Shares will only convert to a nominal number of ordinary fully paid shares and will have a negligible value.

**(d) Directors' Recommendations**

Mark Sumich declines to make a recommendation in regards to this Resolution as he has a material personal interest in its outcome.

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The Directors (other than Mark Sumich) recommend that the Shareholders vote in favour of Resolution 5 for the reasons set out in the Explanatory Statement and on the basis that, in their opinion, the proposed issue of the Performance Shares:

- is critical to incentivise Mark Sumich to contribute to the ongoing success of the Company and to drive the Company's projects to production;
- is a fair and reasonable alternative to a cash payment which also provides an incentive to Mark Sumich in the provision of services by him to the Company, required to commercialise the Company's projects;
- are commercial for the Company in light of the potential benefits, dilution effect and potential costs described above; and
- is necessary to reflect remuneration paid to directors of companies in industries and of a size similar to that of the Company.

**(e) Directors' interest in the proposed resolution**

Other than Mark Sumich, the remaining Directors have no interest in the subject matter of this Resolution.

**(f) Any other information that is reasonably required by the Shareholders to make a decision and that is known to the Company or any of its directors.**

As at the date of the Notice of Annual General Meeting, Mark Sumich and his associates hold the following securities:

|         |   |
|---------|---|
| Shares  | 6,327,500 ordinary fully paid   |
| Options | 1,000,000 unlisted, expiring on or before 30 June 2010 with an exercise price of \$1.00 |
|         | 1,000,000 unlisted, expiring on or before 20 July 2013 with an exercise price of \$0.15 |

which represents 9.2% of the issued capital of the Company.

The Company currently has 90,879,536 Shares on issue. If Resolution 5 is approved, and no other securities were issued by the Company (including securities referred to in this Explanatory Statement), Mr Mark Sumich would hold the following relevant interest in the issued capital of the Company:

- (a) 10.3% following the conversion of the Class A Performance Shares to Shares in accordance with Annexure B; and
- (b) 12.7% following the conversion of the Class B Performance Shares to Shares in accordance with Annexure C.

If Shareholders approve the issue of the Performance Shares to Mr Mark Sumich (or his nominees) pursuant to this Resolution and no other securities were issued by the Company (including securities referred to in this Explanatory Statement), the effect will be to dilute the shareholdings of existing Shareholders as follows:

- (a) 1.1% following the conversion of the Class A Performance Shares to Shares in accordance with Annexure B; and

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- (b) 3.5% following the conversion of the Class B Performance Shares to Shares in accordance with Annexure C,

on an undiluted basis, based on the number of Shares on issue as at the date of the Notice of General Meeting.

In addition to the Shares referred to in this Resolution, Mark Sumich as an executive director of the Company and pursuant to his Executive Employment Agreement is also entitled to an annual salary of \$260,000 (inclusive of superannuation) and directors fees of \$80,000.

There is no other information that is known to the Directors that is reasonably required by the Shareholders to make a decision on whether or not it is in the best interest of the Company to pass this Resolution 5.

## **7 RESOLUTION 6: VARIATION OF CLASS RIGHTS**

The terms of the Class A Performance Shares and Class B Performance Shares are not the same as ordinary fully paid shares in the Company. The Company has applied for ASX to consider the terms of the Class A Performance Shares and Class B Performance Shares to be appropriate and equitable for the purposes of ASX Listing Rule 6.1 and to approve the issue of the Class A Performance Shares and Class B Performance Shares pursuant to ASX Listing Rule 6.2.

Under section 246C(5) of the Corporations Act, the rights of the holders of Shares in the Company will be taken to be varied as a result of the issue of the Class A Performance Shares and Class B Performance Shares.

Under section 246B(1) of the Corporations Act, if a company has a constitution that sets out the procedure for varying or cancelling rights attached to shares in a class of shares, those rights may be varied or cancelled only in accordance with the procedure. Under clause 3.6 of the Constitution, any variation of the rights of the holders of Shares in the Company may be authorised with the sanction of a special resolution passed at a meeting of the holders of the Shares. In respect of such resolution, a quorum is constituted by two persons who hold or represent by proxy one third of the issued Shares.

Accordingly, the Company seeks approval from Shareholders for the issue of the Class A Performance Shares and Class B Performance Shares on the terms set out in Annexure B and Annexure C to this Explanatory Statement.

Resolution 6 is subject to, and conditional upon, Resolutions 4 and 5 being passed.

Resolution 6 is a special resolution and requires the approval of 75% of the votes cast by Shareholders.

The Board recommends that Shareholders of the Company vote in favour of Resolution 6.

## Annexure A

### Terms and conditions of Options issued under Resolution 3

The Options will be issued on the following terms and conditions:

- (a) The exercise price of each Option is \$0.30 each per Share (**Exercise Price**).
- (b) The Options are exercisable on or before 1 September 2014 (**Expiry Date**).
- (c) Each Option will automatically lapse if not exercised on or before the Expiry Date.
- (d) Each Option shall entitle the holder to subscribe for and to be allotted one Share in the capital of the Company upon exercise of the Option and payment to the Company of the Exercise Price.
- (e) An Option may be exercised by the option holder at any time prior to the Expiry Date by sending a completed and signed notice of exercise, together with the payment of the Exercise Price and the statement for the Option, to the Company's Share Registry. If the option holder holds more than one Option, the Options may be exercised in whole or in part.
- (f) A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.
- (g) Subject to any restrictions in the ASX Listing Rules, within 14 days of receipt of a properly executed notice of exercise and the required application moneys, the number of Shares specified in the notice will be allotted.
- (h) Each statement will bear a suitable form of notice of exercise of the Options, endorsed on the back of the statement, for completion by the option holder (if required). If the Options comprised in any such statement are exercised in part only, before the Expiry Date, the Company will issue the option holder with a fresh statement for the balance of the Options held and not yet exercised.
- (i) The period during which the Options may be exercised will not be extended.
- (j) The option holder is not entitled to participate in new issues of securities offered to Shareholders. The option holder can participate in new issues of securities offered to Shareholders if the Option is exercised before the relevant record date for that new issue.
- (k) If from time to time before the expiry of the Options the Company makes an issue of Shares to the holders of Shares by way of capitalisation of profits or reserves (a "bonus issue"), other than in lieu of a dividend payment, then upon exercise of an Option the option holder will be entitled to have issued to it, in addition to the Shares which it is otherwise entitled to have issued to it upon such exercise, additional Shares in the Company. The number of additional Shares is the number of Shares which would have been issued to it under that bonus issue ("bonus shares") if on the date on which entitlements were calculated it had been registered as the holder of the number of Shares which it would have been registered as holder if immediately before that date it had exercised its Options. The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank equally in all respects with the other Shares allotted upon exercise of the Options.
- (l) In the event of any reconstruction (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Options, all rights of the option holder, will be reconstructed (as appropriate) in accordance

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with the ASX Listing Rules applying to a re-organisation of capital at the time of the re-organisation.

- (m) Shares allotted pursuant to the exercise of the Options will rank equally with the then issued Shares of the Company.
- (n) The Options are not transferrable and quotation of the Options will not be sought.
- (o) The Company undertakes to apply for official quotation by ASX of all Shares allotted pursuant to the exercise of any Options, within 10 business days of the date of allotment of those new Shares.
- (p) Other than as referred to above, the Option does not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised.

## Annexure B

### Terms and Conditions of Class A Performance Shares

#### 1. Definitions

In these terms and conditions, the following terms have the following meaning unless the context otherwise requires:

- (a) **"BFS"** means a Bankable Feasibility Study on the Project.
- (b) **"Class A Milestone"** means the Company obtaining a positive BFS in relation to the Project.
- (c) **"Company"** means Globe Metals and Mining Limited (ACN 114 400 609).
- (d) **"Project"** means the Kanyika Niobium Project located in Malawi.
- (e) **"Shareholders"** means the existing shareholders of the Company.
- (f) **"Shares"** means an ordinary fully paid share in the capital of the Company.

#### 2. Rights attaching to Class A Performance Shares

- (a) Each Class A Performance Share is a fixed share in the capital of the Company.
- (b) The Class A Performance Shares will be issued for nil cash consideration, as part of the Company's incentive plan.
- (c) The Class A Performance Shares shall confer on a holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A holder has the right to attend general meetings of Shareholders.
- (d) A holder is not entitled to vote on any resolutions proposed at a general meeting of the Company other than in the following circumstances:
  - (i) on a proposal to reduce the Company's share capital;
  - (ii) on a resolution to approve the terms of a buy-back agreement;
  - (iii) on a proposal that affects the rights attached to Class A Performance Shares;
  - (iv) on a proposal to wind up the Company;
  - (v) on a proposal for the disposal of the whole of the Company's property, business and undertaking; and
  - (vi) during the winding up of the Company.
- (e) At a general meeting of the Company, where a holder is entitled to vote pursuant to clause (d), the holder is entitled:
  - (i) on a show of hands, to exercise one vote; and
  - (ii) on a poll, to one vote for each Class A Performance Share held.
- (f) The Class A Performance Shares do not entitle a holder to any dividends.

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- (g) The Class A Performance Shares do not confer on a holder any right to participate in the surplus profits or assets of the Company upon the winding up of the Company.
- (h) The Class A Performance Shares are not transferable.
- (i) If at any time the issued capital of the Company is reconstructed, consolidated or divided, or a return of capital, rights issue or bonus issue is made by the Company, all rights attaching to Class A Performance Shares will be adjusted to the extent necessary:
  - (i) to avoid any adverse effect on the relative values of the Class A Performance Shares and the Company's existing Shares; and
  - (ii) in any event, to comply with the ASX Listing Rules, the Corporations Act and the Constitution.
- (j) Class A Performance Shares will not be quoted on ASX. However, upon conversion of the Class A Performance Shares into Shares pursuant to section 3, the Company must apply for the official quotation of the Shares arising from the conversion on ASX in accordance with the ASX Listing Rules. ASX may require that the fully paid ordinary shares arising from the conversion be escrowed and the holders are required to enter into any agreement necessary to effect the escrow prior to the issue of the converted shares.
- (k) The Class A Performance Shares do not confer on a holder any rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

### **3. Conversion of Class A Performance Shares to Ordinary Shares**

- (a) A holder of Class A Performance Shares will be entitled to convert the Class A Performance Shares to Shares on the basis of one (1) Share per Class A Performance Share being converted on the Company achieving the Class A Milestone.
- (b) If the Class A Milestone has not occurred by 5pm Perth time on 31 December 2011, every 100,000 Class A Performance Shares will convert into one (1) Share rounded down to the nearest whole number.
- (c) The Shares issued on conversion of the Class A Performance Shares will rank pari passu in all respects with existing Shares.
- (d) Notwithstanding anything else contained in these terms and conditions, in the event that a takeover bid is made for all of the Shares within the meaning of the Corporations Act and pursuant to that bid, the bidder acquires a 50% (fifty percent) or greater unconditional interest in the Company, each holder will be entitled to convert all of its Class A Performance Shares into Shares on the basis of one (1) Share per Class A Performance Share.

### **4. Compliance with Corporations Act, ASX Listing Rules and Constitution**

- (a) Notwithstanding anything else contained in these terms and conditions, if the ASX Listing Rules, the Corporations Act or the Constitution prohibits an act being done, that act shall not be done.
- (b) Nothing contained in these terms and conditions prevents an act being done that any of the ASX Listing Rules, the Corporations Act or the Constitution requires to be done.
- (c) If any of the ASX Listing Rules, the Corporations Act or the Constitution conflicts with these terms and conditions, or these terms and conditions do not comply with any of the ASX Listing Rules, the Corporations Act or the Constitution, the holders authorise the Company to

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do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.



## Annexure C

### Terms and Conditions of Class B Performance Shares

#### 1. Definitions

In these terms and conditions, the following terms have the following meaning unless the context otherwise requires:

- (a) **“Class B Milestone”** means the Company commencing production on the Project.
- (b) **“Company”** means Globe Metals and Mining Limited (ACN 114 400 609).
- (c) **“Project”** means the Kanyika Niobium Project located in Malawi.
- (d) **“Shareholders”** means the existing shareholders of the Company.
- (e) **“Shares”** means an ordinary fully paid share in the capital of the Company.

#### 2. Rights attaching to Class B Performance Shares

- (a) Each Class B Performance Share is a fixed share in the capital of the Company.
- (b) The Class B Performance Shares will be issued for nil cash consideration, as part of the Company's incentive plan.
- (c) The Class B Performance Shares shall confer on a holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A holder has the right to attend general meetings of Shareholders.
- (d) A holder is not entitled to vote on any resolutions proposed at a general meeting of the Company other than in the following circumstances:
  - (i) on a proposal to reduce the Company's share capital;
  - (ii) on a resolution to approve the terms of a buy-back agreement;
  - (iii) on a proposal that affects the rights attached to Class B Performance Shares;
  - (iv) on a proposal to wind up the Company;
  - (v) on a proposal for the disposal of the whole of the Company's property, business and undertaking; and
  - (vi) during the winding up of the Company.
- (e) At a general meeting of the Company, where a holder is entitled to vote pursuant to clause (d), the holder is entitled:
  - (i) on a show of hands, to exercise one vote; and
  - (ii) on a poll, to one vote for each Class B Performance Share held.
- (f) The Class B Performance Shares do not entitle a holder to any dividends.
- (g) The Class B Performance Shares do not confer on a holder any right to participate in the surplus profits or assets of the Company upon the winding up of the Company.

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- (h) The Class B Performance Shares are not transferable.
- (i) If at any time the issued capital of the Company is reconstructed, consolidated or divided, or a return of capital, rights issue or bonus issue is made by the Company, all rights attaching to Class B Performance Shares will be adjusted to the extent necessary:
  - (i) to avoid any adverse effect on the relative values of the Class B Performance Shares and the Company's existing Shares; and
  - (ii) in any event, to comply with the ASX Listing Rules, the Corporations Act and the Constitution.
- (j) Class B Performance Shares will not be quoted on ASX. However, upon conversion of the Class B Performance Shares into Shares pursuant to section 3, the Company must apply for the official quotation of the Shares arising from the conversion on ASX in accordance with the ASX Listing Rules. ASX may require that the fully paid ordinary shares arising from the conversion be escrowed and the holders are required to enter into any agreement necessary to effect the escrow prior to the issue of the converted shares.
- (k) The Class B Performance Shares do not confer on a holder any rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms and conditions.

### **3. Conversion of Class B Performance Shares to Ordinary Shares**

- (a) A holder of Class B Performance Shares will be entitled to convert the Class B Performance Shares to Shares on the basis of one (1) Share per Class B Performance Share being converted on the Company achieving the Class B Milestone.
- (b) If the Class B Milestone has not occurred by 5pm Perth time on 30 June 2014, every 100,000 Class B Performance Shares will convert into one (1) Share rounded down to the nearest whole number.
- (c) The Shares issued on conversion of the Class B Performance Shares will rank pari passu in all respects with existing Shares.
- (d) Notwithstanding anything else contained in these terms and conditions, in the event that a takeover bid is made for all of the Shares within the meaning of the Corporations Act and pursuant to that bid, the bidder acquires a 50% (fifty percent) or greater unconditional interest in the Company, each holder will be entitled to convert all of its Class B Performance Shares into Shares on the basis of one (1) Share per Class A Performance Share.

### **4. Compliance with Corporations Act, ASX Listing Rules and Constitution**

- (a) Notwithstanding anything else contained in these terms and conditions, if the ASX Listing Rules, the Corporations Act or the Constitution prohibits an act being done, that act shall not be done.
- (b) Nothing contained in these terms and conditions prevents an act being done that any of the ASX Listing Rules, the Corporations Act or the Constitution requires to be done.
- (c) If any of the ASX Listing Rules, the Corporations Act or the Constitution conflicts with these terms and conditions, or these terms and conditions do not comply with any of the ASX Listing Rules, the Corporations Act or the Constitution, the holders authorise the Company to do anything necessary to rectify such conflict or non-compliance, including but not limited to unilaterally amending these terms and conditions.

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## GLOSSARY OF TERMS

In this Explanatory Statement:

|   |   |
|---|---|
| <b>“ACN”</b>                                  | Australian Company Number.  |
| <b>“Globe” or “Company”</b>                   | Globe Metals & Mining Limited (ABN 33 114 400 609).   |
| <b>“ASIC”</b>                                 | Australian Securities and Investments Commission.   |
| <b>“ASX”</b>                                  | ASX Limited (ACN 008 624 691) Australian Securities Exchange Limited.   |
| <b>“BFS”</b>                                  | Bankable Feasibility Study on the Project.  |
| <b>“ASX Listing Rules” or “Listing Rules”</b> | The Official Listing Rules of ASX as amended from time to time.   |
| <b>“Class A Performance Shares”</b>           | The class of shares in the Company to be issued in accordance with the terms and conditions set out in Annexure B.                              |
| <b>“Class B Performance Shares”</b>           | The class of shares in the Company to be issued in accordance with the terms and conditions set out in Annexure C.                              |
| <b>“Constitution”</b>                         | The Constitution of the Company.  |
| <b>“Corporations Act”</b>                     | The Corporations Act 2001 (Commonwealth).   |
| <b>“Director”</b>                             | A director of Globe.  |
| <b>“Meeting”</b>                              | The Annual General Meeting of the Company to be held on 30 November 2009.   |
| <b>“Notice of Meeting”</b>                    | The notice convening the Meeting, which accompanies this Explanatory Statement.   |
| <b>“Option”</b>                               | Unlisted options exercisable at \$0.30 per share on or before 1 September 2014 and otherwise on the Terms and Conditions set out in Annexure A. |
| <b>“Performance Share”</b>                    | Means either a Class A Performance Share or a Class B Performance Share as may be applicable in the circumstances.                              |
| <b>“Project”</b>                              | The Kanyika Niobium Project located in Malawi.  |
| <b>“Resolutions”</b>                          | Resolutions in the Notice of Meeting.   |
| <b>“Share”</b>                                | A fully paid ordinary share in the capital of the Company.  |
| <b>“Shareholder”</b>                          | The registered holder of a Share in the Company.  |

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## PROXY FORM

### Shareholder Details

Name: .....

Address: .....

Contact Telephone No: .....

Contact Name (if different from above): .....

### Appointment of Proxy

I/We being a shareholder/s of Globe Metals & Mining Limited and entitled to attend and vote hereby appoint the following proxy/proxies to attend and act on my/our behalf and to vote in accordance with my/our following directions at the Annual General Meeting of Globe Metals & Mining Limited to be held at The Pavilion, Royal King's Park Tennis Club, 21 King's Park Road, West Perth, on Monday 30 November 2009 at 10.30am (WST) and at any adjournment of that meeting.

The Chairman  
of the meeting

(mark with an 'X')

#### IMPORTANT:

If the Chairman of the meeting is your proxy, or if appointed your proxy by default and you do **not** wish to direct him/her how to vote on any of these resolutions, you must mark this box with an "X". By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy on those resolutions (for which you have not given a direction) even if he/she has an interest in the outcome of the resolution and that votes cast by him/her, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote on any of these resolutions, the Chairman of the meeting will not cast your votes on the resolutions (for which you have not given a direction) on a show of hands or on a poll. The Chairman of the meeting intends to vote undirected proxies in favour of each resolution.

**OR**

**If the person you are appointing as your proxy is someone other than the Chairman of the meeting:**

**Write the name of that person in the box below.**

 %

You must specify the % of your votes that you authorise your proxy to exercise if:

**If you hold 2 or more Shares in #full company name#, you may appoint a second proxy:**

**Write the name of your second proxy in the box below.**

 %

- (a) you have only appointed 1 proxy and do not want him/her to exercise all of your votes; or  
(b) if you have appointed 2 proxies under this proxy form.

If you do not name a proxy or your named proxy fails to attend the meeting, the Chairman of the meeting will be appointed as your proxy to attend and act on your behalf and to vote in accordance with the following directions at the Annual General Meeting of Globe Metals & Mining Limited to be held at The Pavilion, Royal King's Park Tennis Club, 21 King's Park Road, West Perth, on Monday 30 November 2009 at 10.30am (WST) and at any adjournment of that meeting.

**Voting directions to your proxy - Please mark only one of the boxes with an "X" for each resolution to indicate your directions.**

| Special Business   | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1. Adoption of Remuneration Report  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2.  |                          |                          |                          |
| (a) Election of Director – Julian Stephens   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) Election of Director – David Sumich  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3. Ratification of the issue of securities  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4. Issue of Performance Shares to Julian Stephens – to convert to ordinary fully paid shares on the Company achieving a positive BFS and commencing production at Kanyika Niobium Project | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5. Issue of Performance Shares to Mark Sumich – to convert to ordinary fully paid shares on the Company achieving a positive BFS and commencing production at Kanyika Niobium Project     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6: Variation of Class Rights  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**1 If you mark the "Abstain" box with an "x" for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll.**

**PLEASE SIGN HERE** This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented

**Individual or Shareholder 1**

**Sole Director and  
Sole Company Secretary**

**Shareholder 2**

**Director**

**Shareholder 3**

**Director/Company Secretary**

# Globe Metals & Mining Limited

ABN 33 114 400 609

## How to complete this Proxy Form

### 1 Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

### 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

### 3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### 4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy please write the name of that person.

To appoint a second proxy you must state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If the Proxy Form does not specify a percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### 5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

### 6 Lodgment of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. i.e. no later than 10.30am (WST) on 28 November 2009. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office or faxed to the Company on (08) 9486 1718.

**Globe Metals & Mining Limited**  
ABN 33 114 400 609

Please complete and return by 23 November 2009

**Questions From Shareholders Form**

Please complete the following details and return Suite 3, 16 Ord Street, West Perth WA 6005 or by fax (08) 9486 1718 or by email to <mailto:info@globemetalsandmining.com.au>

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Suburb: \_\_\_\_\_

Telephone: \_\_\_\_\_

Shareholder Questions (including audit related)

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Signature: \_\_\_\_\_

Date: \_\_\_\_\_