



## New Energy Supply Agreement between Mozambique and Malawi

Globe Metals & Mining Limited (“**Globe**” or “**the Company**”; ASX: GBE) notes with interest the recently announced energy supply agreement between the Governments of Mozambique and Malawi, designed to address Malawi’s significant shortfalls in electricity supply.

Signed on 12 May 2012, the agreement proposes that Mozambique will supply energy to Malawi from the Cahorra Bassa hydroelectric dam - one of the three major dams on the Zambezi river system in Mozambique.

According to a World Bank Report, one of Malawi’s greatest growth constrictions is the significant shortfall in electricity supply. Load shedding (planned power cuts) and unannounced outages are frequently used to ration power supply by the Electricity Supply Corporation of Malawi (ESCOM).

As one of the first acts of reconciliation by Malawi’s new President, Joyce Banda to restore previously troubled relations between the two countries, it is hoped this solution will attract new investment and address the weakening competitiveness of local industries. Malawi’s newly appointed Foreign Minister, Ephraim Chiume, stated “In Malawi we are short of power. This is having a negative impact on industry. Things have stalled but we hope we can have this project up and running soon. We are desperate for power.”

Globe’s definitive feasibility study (DFS) for the Kanyika Niobium Project is premised on diesel power. With our key priority being to take the project into production and bring value to our shareholders, it is unlikely that the introduction of reliable, country-wide grid power in Malawi, will take place in time to change the power supply assumptions for the DFS. It is possible however, that the proposed improvements to grid power could result in a significant reduction in the Project’s operating costs – however there can be no assurance that this change will occur, when, or if at all.



## About Globe Metals & Mining

Globe is an African-focused resource company, specialising in rare metals such as niobium, tantalum and rare earths, as well as other commodities including fluorite, uranium and zircon. Our main focus is the multi-commodity Kanyika Niobium Project in Malawi, which will produce ferro-niobium, a key additive in sophisticated steels.

Globe also has a number of other projects at an earlier stage of development: it owns 100% of the Machinga Rare Earth Project in southern Malawi, and the Company can earn up to a 90% interest in the Mount Muambe REE – Fluorite Project and the Memba Titanium – Iron Project, both in Mozambique.

Globe's corporate head office in Perth, Australia is supported by African offices in Lilongwe, Maputo, Tete and Nacala. The Company has been listed on the ASX since December 2005 (Code: GBE).

In April 2011, the Company entered into a strategic partnership with East China Mineral Exploration and Development Bureau (ECE), a Chinese State Owned Enterprise with extensive mining operations in China and overseas. ECE is now the largest shareholder in Globe, and a key partner for Globe's growth ambitions in Africa.

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