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ASX/Media Announcement

Niobium Prices and Demand Remain Strong in Face of Economic Maelstrom

Highlights

- **Benchmark ferro-niobium contract prices increase to US\$43-46/kg**
- **Niobium raw material (columbite) spot price stable at ~US\$20/lb**
- **Industry leader to increase FeNb production capacity to 150,000tpa by 2013, from 85,000tpa currently**

Globe Metals & Mining's Managing Director, Mr. Mark Sumich, has recently returned from Shanghai, China where he attended the TIC Conference (Tantalum-Niobium International Study Centre), being the annual industry gathering of member organisations (www.tanb.org).

The dominant theme from the Conference was the overwhelming demand for niobium raw materials and end products, which shows no signs of abating in the foreseeable future, notwithstanding the global economic crisis.

Mr. Mark Sumich said "we are enormously encouraged by the positive sentiment for niobium at the TIC Conference. Both prices and demand for all niobium products remain strong, and there was considerable interest in the niobium to be sourced from Globe's Kanyika Project in central Malawi."

Globe's main focus is the multi-commodity (niobium, uranium, tantalum and zircon) Kanyika Project in central Malawi, which contains a 56Mt inferred JORC resource, announced in March 2008. Niobium is the primary commodity at Kanyika. A Pre-Feasibility Study was commissioned in September 2008 and production is planned to commence in 2011.

Ferro-Niobium (FeNb) Price

The price of benchmark Brazilian contract FeNb for Q4 2008 was recently increased to US\$43-46/kg (Nb metal content¹), up from US\$41/kg in the previous quarter². Ninety five percent of FeNb is sold under contract, with the balance on the spot market.

Price stability has historically been a feature of the contract FeNb price, which has added to the product's overall attractiveness.

Columbite Price

Spot prices for columbite (min. 50% Nb₂O₅ and min. 5% Ta₂O₅) remain stable at ~US\$20/lb CPO (combined niobium and tantalum pentoxides)³. Columbite is a source of niobium and tantalum raw material that, once concentrated, is sold to downstream processors for production of high-purity oxides, metals and alloys.

The price of niobium raw material to be produced from Kanyika (min. 50% Nb₂O₅ and ~3% Ta₂O₅) will be derived from the columbite price.



The effective price used in Globe's Scoping Study was significantly lower than the current spot price, being **US\$12/lb CPO** (US\$10/lb Nb₂O₅ and US\$45/lb Ta₂O₅, at an average Nb₂O₅:Ta₂O₅ ratio of 23:1)⁴.

CBMM Capacity Expansion

CBMM, the dominant supplier of FeNb, announced at the TIC its plans to increase its production of FeNb from 85,000tpa currently in 2008, to 100,000tpa in 2009 and 150,000tpa in 2013⁵.

This considerable investment in capacity underlines the steel industry's appetite for niobium, and the growth in niobium consumption which historically has been significantly in excess of overall steel consumption⁶:

	2002-2007 CAGR	
	FeNb	Steel
World	21%	8%
Ex-China	16%	3%

Tantalum Price

Spot prices for tantalum raw material (min. 30% Ta₂O₅) remain stable at ~US\$45/lb⁷.

The industry's leading supplier of tantalum raw materials, Talison Minerals, is reported to be seeking price increases in the order of 80% above the current contract prices from its customers, which, if obtained, would result in a contract price of ~US\$100/lb. It is expected that a price increase of this magnitude would also substantially increase the spot price of tantalum raw material, albeit at a level below the Talison Minerals contract price⁸.

Raw material sold from Kanyika would obtain a tantalum credit.

About Globe Metals & Mining

Globe Metals & Mining is an African-focused uranium and specialty metals resource company. Its main focus is the multi-commodity (niobium, uranium, tantalum and zircon) Kanyika Project in central Malawi, which contains a 56Mt inferred JORC resource, announced in March 2008. Niobium is the primary commodity at Kanyika. A Pre-Feasibility Study was commissioned in September 2008 and production is planned to commence in 2011.

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

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¹ Standard grade FeNb contains ~66% Nb.

² Source: Industry participant.

³ Source: www.asianmetal.com

⁴ To convert Nb₂O₅ to Nb metal, multiply by 0.699; to convert Nb metal to Nb₂O₅, multiply by 1.431.

⁵ Source: www.asianmetal.com; CBMM, "Niobium – The Capacity Expansion Project at CBMM", TIC Conference, 2008.

⁶ Source: CBMM, "Niobium – The Capacity Expansion Project at CBMM", TIC Conference, 2008.

⁷ Source: www.metal-pages.com

⁸ Source: "Tantalum a Hard Rock Ahead", which can be viewed at:

http://www.globemetalsandmining.com.au/download.php?fname=uploaddir/newspdf/Pdf_9.pdf